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Hong Kong

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General

UN Ambassador on Rights, Racism

OW1310165889 Beijing XINHUA in English
1608 GMT 13 Oct 89

[Text] United Nations, October 13 (XINHUA)—The right to self determination of peoples "means that the people of various countries not only are fully entitled to strive for and safeguard independence, maintain territorial integrity and state sovereignty, but also have the right to freely adopt the political, economic, and social system of their own choice," China declared at a U.N. meeting today.

"Any attempt to impose one's own social system and values on, or to meddle in the internal affairs of other countries constitutes a grave violation of the purposes of the United Nations Charter and runs counter to the spirit of the right to self-determination of peoples," a Chinese representative stressed.

Addressing the U.N. Third Committee in a statement on combatting racism and right to self-determination of peoples, Ambassador Ding Yuanhong of China noted, "When a country is subjected to foreign aggression and occupation and when its right to self-determination is seriously encroached upon, the enjoyment of all other human rights and fundamental freedoms by its citizens will be out of the question."

Referring to violations of the right to self-determination of peoples in the world, the Chinese ambassador enumerated examples such as Vietnam's invasion and long-term occupation of Kampuchea, illegal occupation of Namibia by the South African authorities, Israel's invasion of Arab territories and ruthless suppression of the Palestinian people's just struggle, and the Afghan people's right to self-determination deprived of as a result of foreign aggression.

Touching upon the question of combatting racism, Ambassador Ding pointed out, "No substantive step whatsoever has been taken by the South African regime on such fundamental questions as the elimination of apartheid." He urged the international community to bring even greater pressure on the regime with a view to forcing it to abandon its racial discrimination and apartheid.

Further on International Confucius Symposium

Symposium Moves to Qufu

OW1410194289 Beijing XINHUA in English
1034 GMT 14 Oct 89

[Text] Jinan, October 14 (XINHUA)—An international symposium on "Confucius, Confucianism and Modern Society" opened yesterday in Shandong Province's Qufu City, the hometown of the sage.

Kuang Yaming, president of the China Confucius Foundation and honorary president of Nanjing University,

said the aim of the symposium is to find ways to make Confucianism, more than 2,000 years old, relevant in the present day. He added that that does not conflict with adhering to Marxism.

The five-day symposium is jointly sponsored by the Qufu Teachers University and the Shandong provincial branch of the China Education Association for International Exchanges.

Since the university's founding more than 30 years ago, it has published 372 papers and 78 books on Confucius, a great contribution to Confucian study.

Shandong Secretary Meets Guests

SK1010050189 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 9 Oct 89

[Excerpts] Participants of the commemorative activities and symposium that were held a few days ago in Beijing marking the 2,540th anniversary of Confucius' birth came to Qufu, the native place of Confucius, to attend the first Confucian Cultural Festival and to continue their academic discussions.

On the evening of 9 October, the Shandong Provincial People's Government held a banquet to welcome more than 300 domestic and foreign experts and scholars from some 20 countries and regions of the world. Provincial Governor Zhao Zhihao proposed a toast. On behalf of the provincial government and the people in the hometown of Confucius, he extended a warm welcome and sincere thanks to the guests. [passage omitted]

Before the banquet, Jiang Chunyun, secretary of the provincial party committee, met the domestic and foreign guests. He said: I am very happy to meet so many domestic and foreign experts and scholars in Qufu, the native place of Confucius. Let me extend a sincere welcome to all friends who have come here. He said: We feel greatly honored and respected to have such a famous person in Shandong as Confucius, who had a great influence in China and in the world's cultural history. The ideology and moral concept of Confucius and his educational achievements greatly influenced the ideology and culture of the Chinese nation. His influence was also great in Asia and in the world. We should study, disseminate, and use the best of his theories. Like all other noted historical figures, Confucius also had a confined period in history. We should avoid the negative part in his theories.

Comrade Jiang Chunyun introduced to the guests Shandong's long history and culture, the fine traditions of the people of Shandong, and Shandong's tremendous potential and vast prospects in opening to the outside world and in economic and technological exchanges. He expressed hope that Shandong will expand its foreign economic, technological, and cultural exchanges and will strengthen its friendship and cooperation with the people of all the world's countries. He said: The door of Shandong will always be wide open.

Also present at the meeting and banquet were other provincial leading comrades, including Zhao Zhihao, Lu Maozeng, Miao Fenglin, Ma Shizhong, and responsible comrades of the provincial and Jining City departments concerned.

The domestic and foreign guests who attended the activities and symposium to commemorate the birthday anniversary of Confucius arrived in Qufu by special train on the morning of 9 October. [passage omitted]

After continuing their academic discussions, the guests will go to Jinan via Taian on the afternoon of 10 October. The large-scale first Confucian Cultural Festival will also end on 10 October.

Ancient, Modern Culture Viewed

*OW1410005989 Beijing XINHUA in English
1330 GMT 13 Oct 89*

[Text] Beijing, October 13 (XINHUA)—With the deepening of reform and increasing Sino-foreign cultural exchanges, the relationship between traditional Chinese culture and modernization increasingly occupies the attention of Chinese intellectuals.

Addressing an international symposium marking the 2540th anniversary of Confucius' birth, Professor Zhang Dainian, president of the China Confucius Society, said: "To understand tradition should go before breaking away from it." [sentence as received]

Confucius, a philosopher, politician and educator in ancient China, and Confucianism have had a profound influence on Chinese history.

Zhang, also a noted philosopher, claimed that it was unwise either to westernize China or to inherit Chinese traditional culture represented solely by Confucianism.

He said the most obvious contribution Confucius made to Chinese culture was the pursuit of fortitude, self-reliance and success.

His thought applying to politics was persistence in independence of the Chinese nation and opposition to foreign invasion; to personal activities it was persistence in self-respect and resistance to harmful tendencies.

He said all the thoughts were useful to modernization, but he acknowledged that Confucius had his limits. So "we should study Confucius and traditional culture in the light of social development."

Professor Zhang considered the criticism of Confucianism during the "Cultural Revolution" (1966-76) as unscientific and the recent anti-tradition tendency as blind.

"The propagation of national nihilism and denial of the traditional culture of one's own nation," he said, "is a symbol of enslavement."

Zhang reiterated that the Chinese nation needed the new socialist culture with a Chinese character based on the good side of Chinese as well as Western tradition.

Professor Wang Xiaobo from Taiwan said some Chinese mainlanders thought that only by Westernizing culture could modernization be achieved. It was "like begging with a gold bowl", and also contradicted the development of history.

He said China should develop its own culture on the basis of tradition, both ancient and modern, domestic and foreign.

Symposium Closes

*OW1110130289 Beijing XINHUA in English
0752 GMT 11 Oct 89*

[Text] Jinan, October 11 (XINHUA)—An international symposium to commemorate the 2,540th anniversary of the birth of Confucius closed yesterday in Qufu City in Shandong Province.

During the four-day conference, about 300 scholars from 20 countries and regions as well as Taiwan had in depth discussions on the historical position of Confucius and Confucian thought and its influence on present society.

The symposium, sponsored by the China Confucius Foundation and UNESCO, was first held in Beijing and later moved to Qufu, the birthplace of the sage.

Many scholars said that modern Chinese people should make an objective and calm evaluation of Confucian thought and its eternal value.

Some Chinese participants pointed out that the idea of equal education for all and letting a hundred schools of thought contend advocated by Confucius greatly pushed forward education in China.

They also affirmed Confucius' views of humanity, justice and virtue, and his ethical code.

In Qufu, the participants visited the Confucius temple, the Confucius mansion and the Confucius forest and paid their respects at Confucius' tomb.

Further on International Photography Exhibition

Li Tieying Attends

*OW1110141489 Beijing XINHUA in English
1108 GMT 11 Oct 89*

[Text] Beijing, October 11 (XINHUA)—The first China Photography Festival opened here today.

The festival is sponsored by the Chinese Photographers Society and the China Central Television Station.

Heads of government departments concerned and some 1,100 photographers from across the country participated in the opening ceremony.

More than 20 leading photographers from the Soviet Union, Japan, the United States, Thailand and Hong Kong also attended the ceremony.

Before the ceremony, Li Tieying, member of the Political Bureau of the Central Committee of the Communist Party of China and state councillor, met with part of the visitors from overseas.

"The first China photography festival is being held while the whole country is celebrating the 40th birthday of New China and the 150th anniversary of the invention of photography. It is a grand occasion for Chinese photography circles and for the cultural life of the whole people," said Lu Houmin, chairman of the Chinese Photographers Society and director of the organizing committee of the festival, at the opening ceremony.

He said that photography was introduced to China in the 1840s, but it only really found vigor after the founding of New China in 1949, and especially 10 years ago, when China opened itself to the outside world.

In the last 10 years, Lu said, Chinese photographers, being rooted in the soil of national culture and drawing on foreign photography, have injected new life into Chinese photography.

At the ceremony, over 800 senior photographers who have worked for more than 30 years, ten outstanding photographers and ten outstanding photographic organizers got honorary certificates and awards.

In the next 20 days, four international and national photographic exhibitions are to be held, three photographic albums will be published, and five symposia on photography conducted.

Jiang Zemin, general secretary of the Chinese Communist Party, President Yang Shangkun, Premier Li Peng and Peng Zhen, former chairman of the National People's Congress Standing Committee, wrote inscriptions for the festival.

Photography Exchanges Increase

*OW1410010089 Beijing XINHUA in English
1216 GMT 13 Oct 89*

[Text] Beijing, October 13 (XINHUA)—Thousands of people have viewed the ongoing Beijing International Photographic Exhibition at the China Art Gallery here since it opened Wednesday.

The ten-day exhibition is one of the main activities of the first China photographic art festival, and also the major event in Sino-foreign photographic exchanges this year.

Sources from the China Photography Association (CPA) said that since 1981 China has hosted five international photo exhibitions, at which over 3,500 photos by overseas photographers were shown. Since the establishment of the CPA in 1951 nearly 1,000 foreign photographers have visited China at its invitation.

The present exhibition displays 343 photos from more than 40 countries and regions, covering a wide range of themes from romantic Austrian pastoral scenery to homeless Bengalese flood victims.

An official in charge of the exhibition said the visitors number as many as 5,000 every day, and more on Sunday.

Meanwhile, works by American photographers Douglas Kirkland and Marilyn Bridges, and Japanese-Chinese Huang Jinshu are also on display at the gallery.

By the end of 1988 China had set up close ties with photographic communities in nearly 60 countries and regions in the form of exhibitions, and personnel and information exchange.

In addition, China has participated in 50 international photography competitions and won prizes.

United States & Canada

Commentary Cites U.S. for Interference in Panama

*HK1510004789 Beijing RENMIN RIBAO in Chinese
13 Oct 89 p 7*

[Commentary by XINHUA Reporter Wu Jin (0702 2516): "The United States Has Been Busily Interfering in Other Countries' Internal Affairs"]

[Text] When the decisionmaking officials of the U.S. Government were busily contemplating using military means to support a coup in Panama, the U.S. Congress discussed a motion for subsidizing the election campaign of the opposition in Nicaragua. The United States has been using both hands to busily play the same tune on different instruments—interfering in other countries' internal affairs.

On 3 October, an aborted coup aimed at opposing Noriega, commander of the National Defense Forces, occurred in Panama. Both the U.S. President Bush and Secretary of State Baker issued open statements, stressing that the United States was not involved in the event. However, after they had hardly finished speaking, a White House spokesman and U.S. Government officials including Defense Secretary Cheney admitted hesitatingly that the U.S. Government had earlier received information on the attempt of the coup, and that the United States had contacted officers involved in the coup, and that the U.S. Government had discussed with those officers the way to handle Noriega after his arrest. The U.S. troops stationed in Panama Canal Zone were on full alert. Due to the fact that the U.S. side disagreed with the officers involved in the coup on the way to handle Noriega (the U.S. side wanted to "extradite" him to the United States, whereas those officers only wanted him to surrender his power) in addition to the rapid defeat of the coup, the United States did not send troops to become directly involved in the coup.

Some U.S. congressmen who regard interfering in other countries' internal affairs as their own duty were not happy with the failure. They criticized their government for being indecisive and losing the chance. However, Secretary of State Baker comforted them by saying: No action taken now does not mean that action will not be taken in the future. He stressed: "The United States has reserved the option of using force (against Panama). Such an option has never been ruled out."

On Capitol Hill, on 4 October, the House of Representatives passed a motion by a 263 to 156 margin allotting \$9 million to openly support the anti-government force in Nicaragua, so that it can take part in the general election to be held in next spring.

It has been revealed that this was a deal between the government and the congress. In other words, if the congress agrees with the plan of openly allotting money, the government will not ask the CIA to meddle in the election. Actually, this is only a dispute between the government and the congress with regard to the way to interfere in the election in Nicaragua—open or secret interference.

It does not mean that those who oppose the motion do not want to interfere in the election. What they are worried about is that if the United States does so, its image of using high-handed means to interfere (in other countries' international affairs) will be enhanced."

In a word, whether the United States uses "soft" or "hard" tactics, and whether it does so "openly," or "secretly," it is certain that it will interfere in the internal affairs of other countries. The grounds for doing so are simple: Washington has asserted emphatically that the Noriega's regime is "unlawful," and that the Nicaraguan government is "undemocratic."

When other countries accuse the United States of being a "hegemonist" in international affairs, it feels upset. However, whom can it blame for all this?

Commentary Criticizes U.S. on International Law

OW1510193989 Beijing XINHUA Domestic Service
in Chinese 1306 GMT 15 Oct 89

["Local Broadcast News Service"]

[Text] Washington, 14 Oct (XINHUA)—Commentary by XINHUA reporter Wu Jin [0702 2516]: Another Exposure of Hegemonist Features.

According to the 13 October U.S. LOS ANGELES TIMES, since the middle of June this year, the U.S. Department of Justice has authorized the Federal Bureau of Investigation (FBI) to arrest any U.S.-named "suspects" in a foreign country without prior consent of the authorities of that country. After inquiries from reporters, spokespersons from the White House and the Department of Justice were compelled to admit this yesterday afternoon.

The LOS ANGELES TIMES report and other current events show that the "suspects" so named by the U.S. Department of Justice include such people as Noriega, commander of the Panama Defense Forces, who is accused by the United States of taking part in international drug trafficking.

The United States wants to eliminate General Noriega because he is obstinate and unruly. This is no secret, but an established policy of the last two U.S. Administrations. For this reason, Washington has imposed an economic blockade and a threat of force on the Panamanian Government, and even installed a small number of military officers to stage coups repeatedly. However, none of these tricks has worked so far. At a press conference yesterday morning, President Bush reiterated that he "wouldn't mind using force" if Noriega could be brought down. But he "hesitates to pelt a rat for fear of smashing the dishes beside it." The White House dares not stake everything on a single throw and send troops there to interfere, for fear that direct military action might cause strong anti-U.S. sentiments in Latin American nations. It is against such a backdrop that the FBI has been authorized to send agents abroad to kidnap.

The various actions taken by the U.S. Government in wanton interference in Panama's internal affairs—particularly its attempt to legalize its kidnapping activities abroad—seriously breach the generally recognized norms of international relations and violate international law. Don Edwards, a Democrat representative from California, is worried that the decision of the U.S. Department of Justice will turn the United States into an "international ruffian."

The catch is, such a decision is not aimed at Noriega alone. It is also intended to enable the United States to deal with anyone whom it dislikes, all it has to do is to accuse the person of being the "suspect" in a criminal case.

Wang Shoudao Meets U.S. Industrialist, Group

OW1610110289 Beijing XINHUA in English
1031 GMT 16 Oct 89

[Text] Beijing, October 16 (XINHUA)—Wang Shoudao, president of the China Association for International Friendly Contacts, met here this morning with Douglas MacArthur, chairman of the board of directors of the U.S. Panda Motor Co., and his party.

The U.S. industrialists are guests of the China Association for International Friendly Contacts.

Northeast Asia

DPRK Premier Praises Quelling of Rebellion

OW1310160989 Beijing XINHUA in English
1526 GMT 13 Oct 89

[Text] Pyongyang, October 13 (XINHUA)—Yon Hyong-muk, premier of the Democratic People's Republic of

Korea (DPRK), said here today that the recent quelling of the counter-revolutionary rebellion in China has fully demonstrated the strength and vitality of the Chinese Communist Party.

Yon made the remarks while meeting with a visiting Chinese Foreign Ministry delegation led by Vice Foreign Minister Qi Huaiyuan.

"There is no Communist Party, there will be no New China, as a Chinese song goes," the DPRK premier said, adding that Kim Il-sung, president of the DPRK and the Workers Party of Korea, were much delighted at China's quelling of the rebellion.

Yon also highly praised China for sticking to the four cardinal principles and upholding the reform and open-door policy.

Referring to relations between DPRK and China, Yon noted that it is special and uncomparable, saying that the government and people of the DPRK will do their best for the maintenance and development of the friendly relations between the two countries.

DPRK Foreign Affairs Group Departs 12 Oct

SK1410042489 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 12 Oct 89

[Text] Following its visits to the cities of Shenyang, Anshan, and Liaoyang in our province, the four-member delegation of the DPRK Ministry of Foreign Affairs, which is headed by Cha Pong-chu, vice minister of foreign affairs, left Shenyang City by train for home on 12 October.

The DPRK delegation came to Beijing Municipality to attend the celebrations marking the 40th anniversary of establishing Sino-Korean relations and to pay a friendly visit to the PRC.

The DPRK delegation, accompanied by (Jiang Chenyuan), deputy director of the Department of Asian Affairs under the PRC Ministry of Foreign Affairs, arrived in Shenyang City by plane from Beijing Municipality on 8 October.

During its stay in Shenyang City, Governor Li Changchun cordially received and feted all comrades of the Korean delegation.

DPRK Confers Medals on Military Delegation

HK1410061489 Beijing RENMIN RIBAO in Chinese 11 Oct 89 p 3

[XINHUA report: "DPRK Vice President Yi Chong-ok Confers Medals on Chinese Military Delegation"]

[Text] Pyongyang 10 Oct (XINHUA)—DPRK Vice President Yi Chong-ok conferred medals on the Chinese military delegation at the Mangsuda Assembly Hall, Pyongyang today.

Yi Chong-ok read out the Korean Central People's Committee's mandate initialled by President Kim Il-sung on conferring decorations and medals on the Chinese military delegation.

On behalf of the Korean Central People's Committee, Yi Chong-ok conferred the Class One National Flag Decoration on General Liu Huaqing, head of the Chinese military delegation and deputy secretary-general of the Central Military Commission, and Class One Friendship Decorations on Lieutenant General Hang Huizhi, PLA deputy chief of the General Staff of the People's Liberation Army (PLA), Lieutenant General Zhao Xianshun, commander of the Lanzhou Military Command, and Lieutenant General Ma Weizhi, deputy commander, concurrently chief of staff of Jinan Military Command. Class Two Friendship decorations and Friendship medals were separately conferred on other members and the entourage of the delegation.

Also attending the ceremony were General Chon Mun-sop, vice minister of the Korean People's Armed Forces and Wen Yezhan, Chinese ambassador to the DPRK.

Earlier, O Chin-u, Political Bureau standing committee member of the Workers' Party of Korea, and minister of the Korean People's Armed Forces, met the Chinese military delegation headed by Liu Huaqing, deputy secretary-general of the Chinese Central Military Commission in Pyongyang on 3 October.

Governor Meets Overseas Chinese From Japan

OW1410015589 Hangzhou ZHEJIANG RIBAO in Chinese 19 Sep 89 p 1

[Text] Governor Shen Zulun cordially received Mr Sun Zhongli, an Overseas Chinese residing in Japan and president of Sun's Enterprise Limited, Japan, and his entourage at the Shangri-la Hotel in Hangzhou last night.

Mr Sun Zhongli, whose ancestors are from Fenghua, Zhejiang, is visiting the province at Governor Shen Zulun's invitation. Mr Sun Zhongli's wife, Eriko Xu Sun, mother, Wang Fumei, sister, Sun Xincui, and nephew, Shiro Otomo, are accompanying him on the visit. While on a visit to Zhejiang in 1988, Mr Sun Zhongli, who is deeply attached to his hometown, donated U.S.\$100,000 for the construction of a middle school and two primary schools in Fenghua and Yinxian. At last night's meeting, Governor Shen Zulun extended a warm welcome to Mr Sun Zhongli and his family. He briefed them on the advantages gained by Zhejiang in opening to the outside world as well as the difficulties and problems it is encountering at the moment. He said that Zhejiang needs to accelerate the development of its communications, create a better investment climate, and quicken its economic construction. He welcomed Overseas Chinese to come and participate in the construction of their hometowns.

Vice Governor Wang Zhonglu, as well as responsible persons of the provincial departments concerned, attended the meeting and banquet.

Mr Sun Zhongli and his party will leave for Ningbo City today in the company of Yang Zhaoli, head of the Provincial Overseas Chinese Affairs Office.

Councillor Zou Jiahua Meets Japanese Guests

OW1410122089 Beijing XINHUA in English
0857 GMT 14 Oct 89

[Text] Beijing, October 14 (XINHUA)—Chinese State Councillor Zou Jiahua met with a delegation from the Japan Junior Chamber, Inc., led by its President Yusuke Saraya, here today.

Reception Marks Mongolian Relations Anniversary

OW1410122789 Beijing XINHUA in English
1130 GMT 14 Oct 89

[Text] Beijing, October 14 (XINHUA)—A reception was held here this evening to mark the 40th anniversary of the establishment of the diplomatic relations between China and Mongolia.

Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress, attended the reception hosted by the Chinese People's Association for Friendship with Foreign Countries and the China-Mongolia Friendship Association.

Toasting at the reception, Meng Ying, president of the China-Mongolia Friendship Association, and Y. Ochir, Mongolian ambassador to China, expressed the conviction that the good neighboring and cooperative relations between the two countries will expand in future.

Lei Jieqiong Meets Mongolian Peace Delegation

OW1610080789 Beijing XINHUA in English
0631 GMT 16 Oct 89

[Text] Beijing, October 16 (XINHUA)—Lei Jieqiong, vice-chairman of China's National People's Congress Standing Committee, met here today with a delegation of the Committee for the Defence of Peace from the Mongolian People's Republic, which is headed by its Vice-Chairwoman Sonomyn Udval.

The group arrived in China October 9 and is the Mongolian committee's first delegation to China in nearly 30 years, with the main purpose of re-establishing friendly ties between peace organizations in the two countries. The visitors, who are here as guests of the Chinese People's Association for Peace and Disarmament, are scheduled to leave for home later today after a tour of Beijing, Guangzhou and Foshan in Guangdong Province.

Southeast Asia & Pacific

Further on Spokesman's Remarks on Cambodia Policy

HK1610040489 Beijing RENMIN RIBAO in Chinese
13 Oct 89 p 2

[Report: "Foreign Ministry Spokesman on the Cambodian Issue"]

[Text] Beijing, 12 Oct—At a press briefing this afternoon, Chinese Foreign Ministry Spokesman Li Zhaoxing expounded the Chinese Government's stand on the Cambodian question.

A reporter asked: Some people believe that the Cambodian question can now be solved only through a trial of strength in the battlefield. What is your comment on this?

Li Zhaoxing said: Both the coalition government of Democratic Kampuchea and the international community stand for a comprehensive, fair, and reasonable political settlement of the Kampuchean question. We hope that Vietnam will adopt a realistic attitude and come to reach a comprehensive political settlement of the Kampuchean question. The key to a political settlement lies in a genuine withdrawal by Vietnam of all its forces from Kampuchea under strict and effective international supervision under UN auspices, and in the establishment in Kampuchea of a quadripartite provisional coalition government headed by Prince Sihanouk. Only by so doing can it be guaranteed that Kampuchea become a genuinely independent, peaceful, neutral, and nonaligned country.

A Vietnam News Agency reporter asked: Thai Foreign Minister Sitthi proposed that ASEAN nations should hold their third nonofficial conference on a political settlement of the Cambodian question. What is China's attitude on this?

Li Zhaoxing replied: This is a question that should be considered by all parties concerned. Our attitude is: We support all efforts aimed at seeking a comprehensive, just, and reasonable political settlement of the Kampuchean issue. The Kampuchean issue is caused by Vietnamese aggression. Therefore, a political settlement of the Kampuchean issue makes it necessary for Vietnam to stop aggression and, at the same time, eliminate the consequences caused by its invasion of Kampuchea.

Manila Gala Marks Nation's 40th Anniversary

OW1410134589 Beijing XINHUA in English
1134 GMT 14 Oct 89

[Text] Manila, October 14 (XINHUA)—Thousands of Manilans attended a gala get-together here this afternoon to celebrate the 40th anniversary of the founding of the People's Republic of China.

An elaborate fireworks display ushered in a series of activities lined up at the get-together, including performances of traditional Chinese lion and dragon dances manned by 150 people, film shows on Chinese culture and modern technology, an exhibition of rare and authentic Chinese crafts and carvings, and another exhibition of photos showing the achievements of China made in various fields in the past 40 years.

The crowds streaming into the festively decorated square of a big shopping center here applaud as amateur artistes presented a program of both Chinese and Philippine songs and music.

Prominent figures from various circles here, representatives of the Chinese-Filipino community and Chinese Ambassador to the Philippines Wang Yingfan were among the thousands of people attending the get-together.

The get-together, sponsored jointly by the Department of Tourism, the Association for Philippines-China Understanding, the Chinese-Filipino community and six other Philippine organizations in cooperation with the Chinese Embassy in Manila, marked the finale of the two-week varied celebrations here of China's National Day.

Near East & South Asia

Further on Wu Xueqian's Visit to India

Wu on Sino-Indian Ties

OW1310195489 Beijing XINHUA in English
1835 GMT 13 Oct 89

[Text] New Delhi, October 13 (XINHUA)—Visiting Chinese Vice Premier Wu Xueqian today expressed China's sincere hope to develop good-neighborly and friendly relations with India.

Wu Xueqian gave a speech here on "Sino-Indian Relations Under Current International Situation" at a meeting attended by Indian political figures, social celebrities, and other Indian friends.

He stressed that there exist broad prospects for the growth of Sino-Indian relations.

"We can not only strengthen our cooperation and make up for each other's deficiencies in many areas including economy, science, technology, culture, and education but also enhance our consultations on the North-South dialogue, South-South cooperation, and a number of other international issues," Wu said.

He stressed that so long as the two sides strictly abide by their jointly-initiated Five Principles of Peaceful Coexistence, Sino-Indian relations will certainly develop in a healthy and steady manner.

Referring to the Sino-Indian boundary question, he said that the Chinese Government sincerely hopes to see a fair and reasonable settlement of this question. "I believe

that so long as the two sides conduct friendly consultations in a spirit of mutual understanding and mutual accommodation, a mutually acceptable solution can be found to the boundary question left over by history," he added.

He said that China supports South Asian regional cooperation and appreciates the progress made in this respect through the joint efforts of all the countries in South Asia.

China sincerely hopes that the South Asian countries will handle their mutual relations in accordance with the Five Principles of Peaceful Coexistence and strengthen their cooperation in a spirit of equality and mutual benefit, Wu Xueqian added.

He emphasized that if all countries in the world strictly abide by the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, and if there are new international political and economic orders established on this basis, it will be entirely possible to achieve durable peace in the world.

Meets Rajiv Gandhi

OW1410071489 Beijing XINHUA in English
0638 GMT 14 Oct 89

[Text] New Delhi, October 14 (XINHUA)—It is important to maintain good relations between India and China, Indian Prime Minister Rajiv Gandhi said while meeting Chinese Vice-Premier Wu Xueqian here Friday evening.

The two leaders had sincere and friendly talks on a wide range of bilateral and international issues.

Gandhi said as the two countries are confronted with new challenges, India and China should strengthen cooperation in various fields and compliment each other by drawing on each other's strength.

In response, Wu Xueqian said he is satisfied with the development of Sino-Indian relations since Prime Minister Rajiv Gandhi's China visit in December last year.

He expressed the hope that friendly contacts can be expanded, mutual understanding increased and bilateral cooperation enhanced between the two populous, developing countries facing common problems.

Gandhi on Ties

OW1410224389 Beijing XINHUA in English
1642 GMT 14 Oct 89

[Text] New Delhi, October 14 (XINHUA)—Prime Minister Rajiv Gandhi today expressed happiness at the improvement of India's relations with China.

He said he had a very good meeting with Chinese Vice Premier Wu Xueqian Friday evening.

After both houses of the Indian Parliament held the last session of its five-year term on Friday, the prime minister, in his valedictory address to the Congress (I) Parliament Party, touched on a wide range of subjects including the defeat of two constitutional (amendment) bills, the Bofors guns deal, price rises and relations with Sri Lanka and Pakistan.

On the situation in Sri Lanka, he expressed confidence that the island's government will fulfil its commitments on devolution of powers and on providing security to Tamils.

Wu Proceeds to Bangalore

*OW1410113889 Beijing XINHUA in English
1041 GMT 14 Oct 89*

[Text] New Delhi, October 14 (XINHUA)—Chinese Vice-Premier Wu Xueqian today left here for Bangalore to start the second leg of his seven-day visit to India.

Wu Xueqian and his entourage were seen off at the airport by Indian External Affairs Minister Narasimha Rao and other officials.

During his stay in the capital, Wu Xueqian had useful talks with Prime Minister Rajiv Gandhi and other ministers.

In the second leg of what he described as a tour of seeking knowledge and understanding, Wu will visit factories and science and technology institutes in Bangalore, Goa and Bombay.

Wu is scheduled to leave Bombay for home on October 18.

Sub-Saharan Africa

Further on Ghanaian Official Obeng's Visit

Signs Investment, Credit Accords

*AB1310101089 Accra Domestic Service in English
0700 GMT 13 Oct 89*

[Text] Ghana and China have signed two agreements covering bilateral investments promotion and the protection and extension of a new credit facility to Ghana. The agreements were signed in Beijing by a member of the PNDC [Provisional National Defense Council] and chairman of the committee of secretaries Mr P.V. Obeng, after talks with the general secretary of the Chinese Communist Party, Mr Jiang Zemin and President Yang Shangkun.

Mr Obeng had earlier been met on arrival in Beijing by the Chinese Prime Minister, Mr Li Peng. Mr Obeng briefed him on the economic recovery program, Ghana's concept of participatory democracy and the establishment of district assemblies.

Meanwhile, Mr Obeng is continuing his tour with a visit to Shanghai. He is accompanied by the deputy secretary for agriculture in charge of crops, Mr Ibrahim Adam.

Visits Shanghai

*OW1410010389 Beijing XINHUA in English
1510 GMT 13 Oct 89*

[Text] Shanghai, October 13 (XINHUA)—Paul Victor Obeng, member of the provisional National Defense Council and chairman of the Committee of Secretaries of Ghana, and his party were entertained here this evening at a banquet hosted by the Mayor of Shanghai Zhu Rongji.

Zhu, proposing a toast, extended warm welcome to Obeng and his entourage, on behalf of the municipal government and the city's residents.

Obeng described the industry in Shanghai as full of life and creativeness, saying he expected the city and his country to develop cooperative ties.

Obeng arrived here yesterday evening from Beijing. This morning, he visited a local leather factory and a shirt-making factory, where he enquired their operation and management and expressed interest of developing trade and technical cooperation with them. [sentence as received] He spent the afternoon touring a container harbor and then sightseeing on the Huangpu River.

Concludes Visit

*OW1410223489 Beijing XINHUA in English
1618 GMT 14 Oct 89*

[Text] Beijing, October 14 (XINHUA)—Paul Victor Obeng, chairman of the Committee of Secretaries of Ghana, left here for home today, ending his five-day visit to China.

In a telephone message to Obeng before his departure, Chinese Premier Li Peng congratulated the Ghanaian leader on his successful visit, which he said had promoted the mutual understanding, unity and friendship between the two countries, furthered bilateral relations and was "crowned with complete success."

Obeng made similar remarks before he left Shanghai for Beijing earlier today. Describing his visit as fruitful, he said he had had warm and friendly talks with Chinese leaders and the visit had strengthened Ghana's friendly cooperation with China.

During his stay in Shanghai, Obeng visited local factories, rural villages and a Sino-foreign joint venture.

Spokesman Views South Africa's Release of Sisulu

*OW1610124589 Beijing XINHUA in English
1231 GMT 16 Oct 89*

[Text] Beijing, October 16 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the Chinese Government rejoiced over the release of Walter Sisulu, former general secretary of the African National Congress, and seven other black leaders.

"It is a victory of the South African people after waging a protracted struggle supported by the international community," the spokesman commented in response to the release by the South African authorities.

The spokesman said that the Chinese Government once again urges the South African authorities to go along with the historical trend, meet the demand of the people of South Africa, and take further actions by releasing immediately and unconditionally black leader Nelson Mandela and all the other political prisoners, removing the state of emergency in South Africa, lifting the ban on the African National Congress, the Pan-Africanist Congress and all the other anti-apartheid organizations and entering into a serious dialogue with them on the questions of completely eliminating the system of apartheid.

The spokesman said that the Chinese Government and people will, as always, firmly support the South African people in their just cause against racism until their complete victory.

West Europe

Li Peng Meets French Company's Chairman

OW1410184989 Beijing XINHUA in English
1450 GMT 14 Oct 89

[Text] Beijing, October 14 (XINHUA)—Chinese Premier Li Peng met with and gave a banquet for Jean-Pierre Desgeorges, chairman and CEO of Gec-Alsthom Co., and his party here this evening.

Present on the occasion were Chinese State Councillor Zou Jiahua and Minister of Energy Resources Huang Yicheng.

State Councillor Zou Jiahua Meets British Guest

OW1410092689 Beijing XINHUA in English
0841 GMT 14 Oct 89

[Text] Beijing, October 14 (XINHUA)—Chinese State Councillor Zou Jiahua met with Sir Roderick Macleod, chairman of Lloyd's Register of Shipping of Britain, here today.

British 48 Group Business Mission Begins Visit

OW1510190189 Beijing XINHUA in English
1554 GMT 15 Oct 89

[Text] Shanghai, October 15 (XINHUA)—The first group of the British 48 Group business mission arrived in Shanghai today, marking the beginning of its China visit aimed at celebrating its 35th birthday and expanding trade between Britain and China.

Headed by Terence Wint, chairman of the group management committee, and Jack Perry, vice president of the group, the mission composed of more than 60 British entrepreneurs and bankers will visit, in five groups, cities

of Shanghai, Tianjin, Wuxi, Nanjing, Dalian, Wuhan and Beijing and Sichuan Province.

Four of the five groups of the mission will visit Shanghai, China's biggest industrial and commercial center, between October 15 and 22.

The 48 Group of Britain, a nongovernmental business organization, is one of the six biggest trade partners with China.

Anshan Uses Austrian Loan To Build Power Plant

SK0810060189 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 7 Oct 89

[Text] On 6 October, a ceremony was held in Anshan City to sign the agreement under which Anshan City will use Austrian Government loans to import turbogenerators with the purpose of building its second heat and power plant. This has been the first agreement on using the government loans of Western countries to import technology and equipment from abroad reached by Liaoning Province since the quelling of the counterrevolutionary rebellion, as well as the largest project of Anshan City for utilizing foreign capital since the opening of this city to the outside world.

This agreement stipulates that the Austrian Government provide Anshan City with some \$4.9 million in low-interest loans and, with this loan, Anshan City should import two 12,000-kw turbogenerators from Austria to build the city's second heat and power plant, with the total investment reaching 105 million yuan. Upon the completion and commission of this plant in 1990, the annual electricity output is expected to be 1.47 billion kwh, and the annual net profit is expected to be 20 million yuan or more. The completion of this plant will relieve by one fourth the shortage of electricity, which Anshan City uses in industrial and agricultural production and the people's daily life, and will solve heating problems for 26 enterprises and 140,000 square meters of residences. Meanwhile, in the city proper, 80 heating boilers will be removed, which will save more than 60,000 tons of coal and alleviate the air pollution of the city.

Li Tieying Meets FRG Education Delegation

OW1410143389 Beijing XINHUA in English
1249 GMT 14 Oct 89

[Text] Beijing, October 14 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met here today with a group of guests from the Federal Republic of Germany (FRG).

Led by Dr. Karl Boeck, advisor on Chinese affairs to the FRG Ministry of Economic Cooperation and consultant in Vocational and Technical Education for the Chinese State Education Commission, the guests arrived in Beijing October 11. They will attend a symposium on China-FRG "dual-system" vocational education experiments held in Wuxi, Jiangsu Province.

After the meeting, Li hosted a dinner for the guests.

Rome Film Screening Marks National Day

OW1510080589 Beijing XINHUA Domestic Service
in Chinese 1320 GMT 14 Oct 89

[From the "Chinese Culture and Arts in Foreign Countries" column of the Local Broadcast News Service]

[Text] Beijing, 14 Oct (XINHUA)—To Celebrate the 40th anniversary of the founding of the People's Republic of China, the Italy-China Friendship Association showed a Chinese film "The King of Chess" in Rome on 11 October. The film was warmly received by the moviegoers. In its statement issued on the occasion of the film reception, the Italy-China Friendship Association pledged to faithfully abide by its constitution and continue to promote mutual understanding and friendship between the Italian and Chinese people.

East Europe

Article Reviews Relations With East Europe

HK1610013089 Beijing RENMIN RIBAO in Chinese
10 Oct 89 p 7

[Article by Lu Wen (7120 2429): "40 Years of Diplomatic Relations Between China and Some East European Countries"]

[Text] This year marks the 40th anniversary of the founding of the PRC and also the 40th anniversary of the establishment of diplomatic relations between China and some East European countries. Reviewing the roads which China and some East European countries have traversed in developing their relations over the past 40 years, we can see that the friendly and cooperative relations established and developed on the basis of the Five Principles of Peaceful Coexistence are not only favorable to the East European countries but are also favorable to world peace and development.

As far back as during the World War II, the Chinese people established friendship with the peoples of East European countries. After the birth of the PRC, Bulgaria, Hungary, Czechoslovakia, Poland, and the German Democratic Republic established diplomatic relations with our nation one after another in October 1949, and this was no doubt a forceful support and encouragement to the young PRC.

In the 1950's, the friendly cooperative relations between China and East European socialist countries were in the stage of all-round development. Party and government leaders frequently visited each other, supported each other on major issues, and understood and trusted each other. Both sides saw great development in their cooperative relations in all aspects, such as politics, economy, and culture. Under the historical conditions at that time, this played an important role in consolidating the newborn socialist political power in our country, opposing

the blockade of imperialism, restoring and developing the national economy which had been damaged by wars, and launching diplomatic work independently and with the initiative in our own hands.

From the 1960's to the 1970's, due to various reasons, the relations between China and some East European countries stagnated. Since the 1970's, the relations between China and Poland, the German Democratic Republic, Hungary, Czechoslovakia, and Bulgaria have been gradually restored. In recent years, they have made new developments.

Since 1986, China has signed programs for long-term economic trade and scientific and technological cooperation and development until 2000 and long-term trade agreements (1986-1990) with the German Democratic Republic, Hungary, Poland, Czechoslovakia, and Bulgaria respectively and has established bilateral economic trade, and scientific and technological cooperation commissions with the above-mentioned countries. Economic cooperation and development between the two sides have developed, and the volume of trade has increased; satisfactory cooperation and exchange in the fields of science, technology, and culture have also been carried out. Senior leaders of the two sides have successfully paid visits to each other and further deepened understanding and trust between China and these countries and pushed bilateral relations to a new period.

Over the past 40 years, all East European countries have made significant achievements in their socialist constructions and accumulated rich experience. Currently, they are exploring a road for development which suits their national conditions. China is willing to exchange experiences with all East European countries on the questions of socialist construction and development, respecting each other, seeking common ground while reserving differences, and strengthening cooperation.

East European countries have always upheld the just stand of recognizing that there is only one China and that Taiwan is an inseparable component of the PRC. They have also made unremitting efforts to restore the lawful seat of China in the United Nations. The Chinese people will never forget this.

We can believe that with the joint efforts of both parties, the relations between China and East European countries will protractedly and steadily develop on the basis of the Five Principles of Peaceful Coexistence. May the friendship between the Chinese people and the peoples of East European countries last forever.

Qian Attends Bulgarian Envoy's Banquet

OW1310130589 Beijing XINHUA in English
1225 GMT 13 Oct 89

[Text] Beijing, October 13 (XINHUA)—Philip Markov, ambassador of the People's Republic of Bulgaria, gave a

banquet this evening in celebration of the 40th anniversary of the establishment of diplomatic relations between Bulgaria and China.

Foreign Minister Qian Qichen and other Chinese officials attended the banquet.

Consultative Conference Group Leaves for Bulgaria

*OW1610072889 Beijing XINHUA in English
0632 GMT 16 Oct 89*

[Text] Beijing, October 16 (XINHUA)—A delegation from the National Committee of the Chinese People's Political Consultative Conference (CPPCC) headed by its Vice-Chairman Ma Wenrui left Beijing today for Bulgaria for a week-long goodwill visit.

Qian Attends Polish Embassy Banquet

*OW1610095289 Beijing XINHUA in English
0911 GMT 16 Oct 89*

[Text] Beijing, October 16 (XINHUA)—Polish Ambassador to China Marian Wozniak gave a banquet here at noon at his embassy to celebrate the 40th anniversary of the establishment of diplomatic relations between the Polish People's Republic and the People's Republic of China.

Chinese Foreign Minister Qian Qichen attended the banquet at invitation.

In their toasts at the banquet, the ambassador and the foreign minister expressed their desire to further develop the friendship and friendly cooperation of the two countries and the two peoples.

Political & Social

Yuan Mu Discusses Plenum, Deng Retirement

*OW1510134789 Tokyo KYODO in English
1329 GMT 15 Oct 89*

[Text] Beijing, Oct. 15 (KYODO)—China's senior leader Deng Xiaoping recently expressed his desire to retire from active leadership, a Chinese cabinet spokesman said Sunday.

State Council Spokesman Yuan Mu acknowledged that the Communist Party will hold a plenary session of its Central Committee in late October and implied that Deng's retirement will be discussed.

Yuan, in an interview with KYODO NEWS SERVICE, said Deng repeatedly expressed a hope to promote younger leaders.

However, not Deng but the Central Committee will decide whether Deng will be relieved of his duties as chairman of the Central Military Commission of the Communist Party and of the state, the spokesman said.

The Communist Party is continuing to investigate Zhao Ziyang, the ousted Communist Party general secretary, who Yuan said still lives in Beijing.

Yuan, expressing what he described as his personal view, said political changes in Poland and Hungary mean that the two countries have abandoned the principles and thoughts fundamental to communism.

However, different policy lines between China and the Soviet bloc will never affect state and party relations between them, he said.

Yuan said Jiang Qing, the widow of revolutionary Mao Zedong, has fallen ill and left prison to receive medical treatment.

This does not mean Jiang was freed as she is still under detention, he said.

Yuan, turning to economic affairs, said the upcoming Central Committee plenum will focus its discussions on economic adjustment policies, and predicted that inflation in China will run at a pace of 20 percent this year.

China's budget deficit will top 8 billion yuan this year while foreign exchange reserves have fallen to 12 billion dollars, Yuan said.

Yuan expressed hope that Japan will implement its 810 billion yen loan package which former Prime Minister Noboru Takeshita promised to provide last year.

Delay Possible for Fifth CPC Plenum

*HK1610025189 Hong Kong SOUTH CHINA
MORNING POST in English 16 Oct 89 p 10*

[By Willy Wo-lap Lam]

[Text] The fifth plenum of the 13th Central Committee of the Communist Party will likely be delayed until early November, diplomatic analysts in Beijing said.

The plenum, originally scheduled for mid-October, will be devoted mainly to laying down a program for "curing and restructuring" the economy in the coming three years.

Other issues on the agenda would most likely include the mistakes committed by ousted party chief Zhao Ziyang as well as major personnel appointments, including who might succeed Mr Deng Xiaoping as chairman of the Central Military Commission (CMC).

A preliminary draft for the three-year austerity plan, drawn up in August by the State Planning Commission (SPC), proposed that by the end of 1991, the GNP growth rate will be cut down to around seven percent, the budget should be balanced, and that inflation will be slashed to five percent.

In addition, mechanisms for re-asserting central planning, such as the restoration of regional bureaus to ram the orders of the central government down to regional and grassroots units, will also be discussed.

However, say sources, the Beijing leadership is divided over major economic and political issues to be discussed at the plenary session, which will be attended by 175 Central Committee and 110 alternate members.

By early October, the SPC preliminary draft had still not been approved by the top leadership.

"The leaders are in broad agreement over the principle of cooling down the economy and restoring centralised control," an economic source said in the capital.

"However, they have disagreed over specific goals and measures to be taken."

For example, according to the SPC draft, inflation should be scaled down to 10 percent by the end of 1990 and five to seven percent by the end of 1991.

Yet, citing factors such as the inability of the central treasury to continue to underwrite hefty food subsidies and the de-facto devaluation of the yuan, many senior economists have cast doubt on the ability of the central government to drastically slash inflation.

Moreover, while agreeing that central planning should be re-emphasised, relatively liberal economic officials contend that the revival of administrative structures such as regional bureaus will choke off regional initiative.

Another bone of contention is the policy towards the private sector, especially township and individual enterprises.

While central planning-oriented cadres have argued that the private sector must be constricted because it takes resources away from government enterprises, leaders of coastal provinces insist that non-state-run enterprises have made valuable contributions to the local economy.

On the question of the treatment to be meted out to Mr Zhao, leaders, including Central Committee members, have expressed support for the recent dictum of patriarchs Mr Deng and Mr Chen Yun that Mr Zhao not be tried on criminal charges.

However, say informed sources, many enemies of Mr Zhao wanted to turn the forthcoming plenum into a platform for exposing and criticising the economic crimes allegedly committed by him.

"In private talks, Deng Xiaoping has indicated that Zhao not be publicly pilloried for mistakes in economic decision-making, partly because many of Mr Zhao's economic decisions had been endorsed by the patriarch," a Western diplomat said.

"However, at the plenum, conservatives who want to roll back reform will argue that Mr Zhao and fellow reformists are responsible for dislocations in the economy such as inflation and budgetary deficits."

Chinese sources say that the plenum may also discuss major personnel changes within the party, including candidates for the CMC's next chairman should Mr Deng step down.

General Secretary Jiang Zemin, Mr Deng's handpicked successor, and President Yang Shangkun, concurrently the CMC's executive vice-chairman, have emerged as major contenders.

However, sources say, as has been the case since the mid-1980s, Mr Deng may postpone his retirement if he finds that the succession question will divide the party.

Analysts in Beijing say that SPC will likely draw up a second draft of its three-year plan towards the end of October.

Resistance to Nationwide 'Purge' Detailed

HK1410013089 Hong Kong MING PAO in Chinese
14 Oct 89 p 1

["Special dispatch" from Beijing: "Tremendous Resistance Everywhere as Central Authorities Extend Purge and Rectification"]

[Text] The CPC leadership originally decided to complete the nationwide purge by mid-October, to facilitate organizational preparations for the 5th Plenary Session of the 13th CPC Central Committee to be held at the end of the month. However, due to tremendous resistance everywhere, the CPC leadership has decided to extend the purge and rectification.

According to disclosures, the CPC leadership recently transmitted Nos 9 and 10 red-topped documents on continuing the purge, stressing that it must be carried through to the end, and that hidden dangers must be thoroughly eliminated.

At present the major organs in Beijing are carrying out the reregistration of party members. In accordance with the CPC leadership's instructions, party members who took part in demonstrations and other activities in support of the democracy movement before 20 May (the day martial law was declared) will not be held accountable, while party members who took part in such activities after 20 May must be subjected to party discipline. However, due to the fact that on 20 May [as published] there was widespread participation in support for the democracy movement by the party members of major organs in Beijing, the responsible persons of many departments have adopted the attitude that the law should not censure the masses and have protected their subordinates in going through the test, to prevent expansion of the struggle. Despite this, however, large numbers of party members have been purged.

According to a RENMIN RIBAO report, when receiving personnel taking part in the "central and state organs work conference and study class for party committee secretaries," CPC Central Committee General Secretary Jiang Zemin censured the central state organs for being penetrated by the ideology of bourgeois liberalization. He said that party rectification must be stepped up accordingly. Observers believe that certainly had a specific aim and gave the strongest signal for a continuation of the purge.

Li Peng, a representative figure of the hardliners in the CPC leadership, also spoke at this reception. He indicated that in the past few years, when cadres were promoted the focus was on examining their professional performance and insufficient attention was paid to examining their politics. As a result, party work was weakened. He demanded that in the future it is necessary to rely on the party organizations to do their work well, and departmental chiefs must not only be well conversant with professional work but must, still more, be "revolutionaries and politicians."

The retired conservative theorist Hu Qiaomu and Zhu De's widow Kang Keqing also attended this reception, and their names were listed before that of State Council Secretary General Luo Gan.

It has been pointed out that there are differences between the current major purge in the CPC and the campaigns of the past, since there is no screening in isolation. At present the cadres of the major organs in Beijing are going to work normally. However, since everyone has to go through the test afresh, there is great mental pressure on them. Some people who have not been told to take part in the reregistration of party members understand that they are in trouble. However most party members who have been told to reregister are filled with apprehension. This is because when reregistering, they must state afresh their attitude toward the democracy movement. Hence, the work efficiency in the major organs in Beijing is very low at present.

Zhao Ziyang Reportedly Moved From Zhongnanhai*HK1310101389 Hong Kong CHING PAO in Chinese
No 147, 10 Oct 89 pp 40-42*

[Article by Hsiao Ying (5135 7751): "The Timing of Deng Xiaoping Retirement Has Been Set; Zhao Ziyang Has Reportedly Moved out of Zhongnanhai"]

[Text] Deng Xiaoping has recently pointed out that he plans to retire after the 5th Plenary Session of the CPC. When answering reporters questions, Jiang Zemin did not rule out this possibility. If the 5th Plenary Session of the CPC to be held in October and the session of the National Peoples Congress [NPC] to be held next spring agree with the plan, Deng Xiaoping will retire officially. However, people generally believe that even if Deng retires, he will only retire to the backstage....

Outwardly, the situation seems relaxed, but inwardly it is tense. This is a general description made by well-informed sources in the capital of China. According to them, since September the authorities have doubled their efforts to deliberately create a peaceful and relaxed atmosphere to greet the 1 October National Day with an aim of giving outsiders an impression of piping times of peace. However, a nationwide campaign of ideological rectification and organizational purge has been developing in depth.

Everyone Must Make a Self-Criticism To Pass the Test and Stand on the Right Side Again

Once the campaign started, the relevant departments first relayed documents No 3 and 4 on party rectification. Later, Song Ping's speech delivered at the opening session of the national meeting attended by chiefs of organization departments was also relayed. Everyone has been required to conscientiously study these documents and speech to make self-criticism and self-examination.

It was reported that some units had issued outlines for discussion, and wanted all party members, cadres, workers, and staff members to answer the following questions: 1) Do they support the policy of armed suppression of the CPC? 2) Is it right and necessary to enforce the martial law order? 3) Do they believe that the nature of the current rebellion and bourgeois liberalization conflict with the four cardinal principles? 4) Were turmoil and rebellion inevitable, or were they caused by the mistakes of the leaders? In addition, everyone is required to explain in detail their activities during the period of turmoil, including time, places, contents, and so on. They must show evidence for all this.

To ensure smooth progress in the work of studying the relevant documents, conducting self-examination, making known ones position, and clearing up points during the period of the turmoil, various units have establish their own groups responsible for political purge. They are closely and strictly examining the words and deeds of each and every party member, cadre,

worker, and staff member during the period of turmoil. Those who held wrong views, or took part in demonstration must make self-criticism and change their erroneous views, and tell people how they changed their ideas specifically.

During the campaign, everyone is required to make self-examination to pass the test, including those retired cadres. People believe that this is a brainwashing campaign aimed at restoring class struggle, and that this is also a political campaign of identifying people who belong to the revolutionary or counterrevolutionary camp, and reorganizing the class ranks.

Telling Lies for the Sake of Self-Protection

The leadership stratum has spared no efforts to carry out rectification and purge. They have been vigorously whipping up public opinions until very recently. During the latter half of September, WENHUI PAO in Shanghai published a 15,000-character long article, pointing out: During the period of student unrest from April to June this year, Beijing and Shanghai echoed each other at a distance. When wind blew in Beijing, rain fell in Shanghai. Several Communist Party members who held important positions in the party and government organs openly confronted the central authorities. The article pointed out in a serious manner that the following five points must not be underestimated: 1) The seriousness of the turmoil in Beijing must not be underestimated 2) The seriousness of the wide spread of bourgeois liberalization in Shanghai must not be underestimated 3) The social foundation for the turmoil in Shanghai must not be underestimated 4) The infiltration and sabotage of the foreign and domestic hostile forces during the period of turmoil in Shanghai must not be underestimated 5) The seriousness of severe ideological confusion in the party organizations in Shanghai due to Zhao Ziyang's mistake of weakening the party leadership must not be underestimated. All this has shown that the authorities are speeding up their efforts to brainwash party members, workers and staff members, and exercise political control over the masses. According to sources in Beijing, those persons who participated in the National Day celebration, and danced a collective dance during the night of the National Day, including workers, peasants, members of the Peoples Liberation Army [PLA], students, and office cadres have undergone serious political examination. Those who participated in, or were involved in the student movement were not allowed to take part in the activities of dancing a collective dance during the night of National Day.

However, it is not easy for the authorities to attain their purpose of imposing ideological and political control. Taking a lesson from various political campaigns, many party members, cadres, workers and staff members have learned the way to protect themselves so that they can pass the test of the political campaign which includes telling lies, or complying in public but opposing in private, and so on. They say one thing at the meeting, but talk differently after it. They do not want to talk frankly

with the party organizations. In addition, once a political campaign is launched, they know how to deal with things, or people carefully. Before the June 4th incident, people in a courtyard of certain residential quarters of cadres in Beijing often got together to chat, or grumble to criticize those who abused their power for private gains. However, after the June 4th incident, everything was quiet in the courtyard. Not visiting with each other all their lives, though the crowing of their cocks and the barking of their dogs are within sound of each other. The practice of telling lies, which was common during the Great Cultural Revolution, has emerged again now. They tell lies when the doors are open, and tell the truth only when the doors are closed. When three persons are together, they tell lies to each other. When two persons who have close relations come together, they will tell the truth. In so doing, they can avoid being reported against by some base persons.

Supporting the Suppression in Words, but Sympathizing With the Students Actually

To protect themselves, many people told lies at the meetings. They pledged to keep in line with the central authorities, and resolutely support the suppression of the rebellion. In reality, they do not want to keep in line with the central authorities, but sympathize with those ruffians who were killed. This demonstrates the difference between the current political campaigns and those during the period of Mao Zedong. What is distressing is that cadres and workers at their posts must state that they support the current suppression of the student movement. Otherwise, the increase of their wages, or promotion in the future will be affected.

Some cadres support the suppression of the student movement, whereas some others refuse to do so. Some support the current state power, whereas others do not want to do so. It was reported that of the two vice provincial governors of a province in the south, one supports the current state, whereas the other refuses to do so. Of the 12 cadres at or above the level of departmental heads, only 1.5 of them support the current state power, whereas the rest refuse to do so. Today when the policy of reform and opening up has been implemented for 10 years, although the authorities use again the magic of class struggle, trying to deliberately erect fences among individuals, the times are after all different. Except for those contemptible politicians who are good at making use of a political campaign to climb up, and careerists who are like grass on the top of the wall swaying with every wind, the majority of the kind-hearted people are no longer devoted to the class, or political conviction as they had been in the past. Some people said: What is socialism? What is communism? Only Deng Xiaoping can explain it clearly. Other people cannot do so.

Party Branch Secretaries Helped the People Make Self-Criticism To Pass the Test

The authorities have repeatedly stressed that party and government cadres must keep in line with the central

authorities. However, what a number of party branch secretaries at the lower and middle levels did and said following the occurrence of the student movement in last April was beyond our expectation. Shortly after the occurrence of the student movement, some cadres of the party and government organs, workers, and staff members went out to the streets to demonstrate in support of students. Some party branch secretaries tried to persuade them not to do so, saying: Do not go to the streets to demonstrate. According to my 30 years of experience, accounts will be squared after the autumn harvest. There is no exception for this. A party branch secretary said: You must not go out to the streets to demonstrate, unless you tread on me and walk out. After saying so, he lay at the entrance of his unit and let the masses jump over him. In so doing, he tried to acquit himself before the higher authorities. During the campaign of ideological rectification, the higher authorities wanted cadres, workers, and staff members to explain the reasons why they took part in the demonstration. Some party branch secretaries seriously explained the reasons. They said: As far as we know, there were generally four reasons why they took part in the demonstration. Some might take part in the demonstration on their way home, some might do so because they intended to watch the excitement, some might do so because there was a sympathetic response in their minds, and some others might do so consciously. We must not treat different individuals as the same. Workers and staff members readily took a hint, realizing that their secretaries were helping them to pass the test. This gave them a hint how to write their written self-criticism. In units like this, it has been reported that only few persons have been repudiated to date. Most people talk about their ideological understanding, and explain how they change their views.

Seven Press Units Are in Trouble

After ideological rectification, disciplinary measures are taken. The press circles, which have been regarded as a serious disastrous area of bourgeois liberalization, have borne the brunt. In the eyes of the authorities, press freedom means that journalists must propagate the party policy under the leadership of the party. They are not allowed to use press freedom to attack, or criticize the party. However, during the current student movement, some people in the press circles broke this principle. Therefore, they cannot avoid the fate of being punished. It has been widely reported in Beijing that the relevant departments are trying to find a typical case of bourgeois liberalization in each of the seven major press units including XINHUA news agency, RENMIN RIBAO, GUANGMING RIBAO, Beijing JINGJIXUE DAOBAO, Shanghai SHIJIE JINGJI DAOBAO, the Central Television Station, and the Central Peoples Broadcasting Station to handle them severely. They might even be held accountable criminally. The relevant plan has been submitted to the high authorities for approval.

Wang Zhen Released Some Persons, and Yuan Mu Was Criticized

When people talk about the suffering of the press circles, people will naturally link it with Wang Zhen, because he once said: The press, theoretical, literature, and art circles are the serious disastrous area of bourgeois liberalization. He added, it seems to me that we must, first of all, rectify the press circles.

However, according to some insiders, Wang Zhen did some other things. After the quelling of the rebellion, the public security organs arrested many people, and some must not be arrested. However, they did not want to release them so easily. Some of the family members of those who were arrested sought connections everywhere so that those who had been arrested could be released. Some family members raised the matter in front of Wang Zhen. After hearing their complaints, he wrote informal notes on releasing some suspects when he believed that they deserved the release. It was reported that many suspects were released because of the notes written by Wang Zhen.

Some people also told Wang Zhen: Whenever Yuan Mu appeared on the TV screen, people abroad found it difficult to accept his image, because what he repeatedly spoke about left a very bad impression on them. Hearing this, Wang Zhen said: You are right. On that day when he appeared on the TV screen, I saw him laughing in a frivolous manner. I immediately asked someone to call him, asking him to pay attention to his image.

Even Though Zhao Has Not Been Tried, He Has Moved out of Zhongnanhai

Regarding Zhao Ziyang's fate, because Yuan Mu said the possibility of sending him to trial in court was not excluded, while Ying Ruocheng (vice minister of culture) said he did not expect Zhao would be tried, a general concern has been therefore aroused among the people. On 26 September, when answering the question of what is Zhao Ziyang's present situation and where is he now, Jiang Zemin said at the press conference attended by Chinese and Western reporters that Zhao Ziyang was still a CPC member. According to the statement of the 4th Plenary Session of the 13th CPC Central Committee, Zhao Ziyang has made mistakes in splitting the party and supporting the turmoil, and some problems are still being investigated. He said that Zhao had served as premier for many years, as well as general secretary for more than a year, and did some beneficial work, but in the course of execution of his duties some deviations appeared, to which a practical attitude would be held, and that the CPC Central Committee had a persistent policy that was, when a party member made mistakes, his remuneration would not be affected, and Zhao Ziyang's qualification is superior to mine, his present remuneration is better than mine, too.

Judging from Jiang Zemin's evaluation, the CPC has not totally negated Zhao Ziyang, and Zhao Ziyang will not be tried, providing that the investigation discovers no new problems.

Jiang offered no answer as to where is Zhao? But according to reliable information, Zhao Ziyang has moved out of Zhongnanhai, even though he is still staying in Beijing. This is a measure the authorities used to take when handling the senior leaders who have made mistakes and as a result come to the end of their political careers in Zhongnanhai.

But Zhao Ziyang is still being investigated. The investigation aims not only at Zhao Ziyang but also the persons related to him. Yan Mingfu has been investigated precisely because he was linked to Zhao's problems. CHING PAO's October issue reported that Yan Mingfu was forced to confess his problems, and this information was proved to be correct after a further understanding of the case. Responding to the demand of Ma Guorui, work group leader and present member of the central advisory commission, Yan Mingfu wrote a confession of 15,000 characters, reporting his relations with Zhao Ziyang and with other parties, and disclosing that he was utilized by Zhao Ziyang. Regarding Yan's confession, many people think it is detailed and profound. But some people still accused Yan of avoiding the important topics and of trying to take it easy. These accusers were angrily accused of trying to climb by stepping on Yan by people of different opinions. Although Yan had to make a confession, he still attended the fourth regular meeting of the Fifth Central Standing Committee of the China Democratic National Construction Association, and made a speech on the policy of reunification. This indicated that at least at this moment the authorities still appreciate Yan's charisma in the work for reunification.

Deng Will Retire After the Convention of the 5th Plenary Session of the 13th CPC Central Committee

After making his 9 June speech, Deng retreated for more than 3 months. When the outside world was guessing at his health, Deng made public appearances twice in mid-September, meeting Chinese-American scholar Professor Tsung-Dao Lee and former Japanese Foreign Minister Ito, joking and laughing, causing more concern among the people on the problem of when will Deng retire, who will inherit his command of the Army.

According to the usually reliable source of information, after expressing his wish to resolutely retire at a time when the authoritativeness of the new leadership with Jiang Zemin as its core is established, Deng's absence for 3 months was to intentionally avoid involvement in central decisionmaking in order to let Jiang Zemin take charge of operations. The big issue in Deng's mind is to stabilize and improve the system for Jiang Zemin as a successor. Recently Deng said clearly that he intended to retire after the convention of the 5th Plenary Session of the 13th CPC Central Committee.

Responding to the question raised by reporters on whether Deng Xiaoping will retire, Jiang Zemin said that it was not a strange question, that Deng Xiaoping had expressed this wish for (retirement) several times and hoped the new Standing Committee would ably shoulder its duty. Jiang said that Deng was the CPC's long-tested proletarian revolutionary of the senior generation and chief designer of economic construction and reform and opening up carried out in China for 10 years, and that his retirement was a critical event, which must be decided upon by the party and the state. Jiang's saying seems not to exclude the possibility of discussions on Deng's retirement at the 5th Plenary Session of the 13th CPC Central Committee to be held in October and at the NPC to be held in spring next year. If these two meetings agree to let Deng retire, then Deng Xiaoping will formally retire in spring next year after the convention of the NPC.

It is generally held that even if Deng Xiaoping really retires, he will retire only to a place behind the curtain, and even if he really hands over the position of chairman of the Central Military Commission to Jiang Zemin according to the principle of party directs guns, his de facto position of being the leader will not change, if he has good health. This is what the new Standing Committee would like to see, because it will be beneficial to consolidating its position as a successor. In the process of succession the core problem Deng must consider is how to arrange the CPC Central Military Commission and the CPC Standing Committee in a way that they will help Jiang Zemin command the Army, but whether Deng can succeed depends on the delicacy of his plans.

Importing CHING PAO Pro and Con

After 4 June, many readers have expressed concern on whether CHING PAO can continue to be imported and on whether subscribers in the interior can continue to read CHING PAO. According to our information, the present situation is that various big hotels in the interior have stopped selling CHING PAO, offering the official explanation that the sale is not good because there has been a sharp drop in the number of tourists since 4 June. But the majority of subscribers can still receive CHING PAO, while some cannot. According to the people who know the inside story, the department concerned has divided itself in the way of handling this problem. One opinion has it that some articles carried by CHING PAO are preaching bourgeois liberalization, and some are even subverting through opinion. People with this opinion have already reported to the superior department, demanding that importation of CHING PAO be stopped. Another opinion says, CHING PAO can reflect the aspirations of the overseas compatriots, and even though some articles have some sharp contents, there are many constructive ideas, which aims at promoting reform and opening up in the interior, strengthening rule by law, and eliminating corruption if the case is not properly handled, it will easily hurt the feelings of the Overseas Chinese. People with this opinion have also reported to the superior department, suggesting that the case be handled with prudence. The situation in the

interior is, when there is wind above, there is rain below, and individual outposts have already adopted the local policy of forbidding import of CHING PAO.

In order to clarify the truth, the author has asked for verification from the responsible persons of CHING PAO. According to the answer, the number of reports from the interior claiming that they could not receive CHING PAO has been increasing. In the past, the import of a limited number of CHING PAO into the interior was done according to the written rules enforced by the department concerned. Now the import is stopped at will without any notice, and there has been confusion. Also, CHING PAO has written to ask the department concerned, but how things will go, we still do not know.

Shanghai Newspapers Criticize Zhao Ziyang

HK1510005289 Hong Kong WEN WEI PO in Chinese
13 Oct 89 p 2

[Report: "Shanghai Newspapers Criticize Zhao Ziyang, Point out That Hu Qili's Speech Caused Disorder in the Press Circle"]

[Text] Today, Shanghai's "JIEFANG RIBAO" and "WEN WEI PO" published long articles, which are entitled "Reflection on the Lesson of Misguided Public Opinion" and "The Misguided Public Opinion and the Bourgeois View of Journalism" respectively.

Both articles criticized Zhao Ziyang by name. In comparison, the article carried by "JIEFANG RIBAO" criticized Zhao Ziyang more severely and more systematically. The article carried by "JIEFANG RIBAO" said that Zhao Ziyang was the root cause of the misguided public opinion during China's recent nationwide turmoil and listed three major mistakes made Zhao Ziyang in this respect: First, Zhao Ziyang's speech at the annual meeting of Asian Development Bank and Zhao Ziyang's attempt to misguide the public opinion. The article said that as a result of Zhao Ziyang's mistake, a lot of news units in China later followed an erroneous line in their news reporting work; second, Zhao Ziyang's instruction concerning the reporting of the student unrest on 6 May. On 6 May, Zhao Ziyang told Hu Qili and Rui Xingwen, who were then in charge of the propaganda work and ideological work of the CPC Central Committee, that the control over the reporting of the student unrest "has been relaxed a bit. The student demonstrations were reported as what they were. As a result, our news reporting work has been made more public. We are not running a big risk," adding that "we can only suit our measures to the popular will of the people at home and the progressive trend in the world." Zhao Ziyang's instruction was relayed to all the news reporting units in Beijing on the same day. As a result, the news reporting units in Beijing and other parts of China immediately "became more liberal" in their news reporting work, thus misguiding the public opinion on a much wider scale; third, Zhao Ziyang's criticism of the Shanghai Municipal CPC Committee's correct decision to rectify

"ZHJIE JINGJI DAOBAO." The article carried by "JIEFANG RIBAO" said that the above mentioned three mistakes made Zhao Ziyang were actually "three arrows" shot by Zhao Ziyang after 4 May.

The article carried by "JIEFANG RIBAO" also said that on 13 May, Hu Qili said that "it is now high time for China to carry out her news reform, which can no longer be delayed." Hu Qili's remarks immediately caused disorder within China's press circle. Nonetheless, although the article carried by "JIEFANG RIBAO" criticized Zhao Ziyang, Hu Qili, and Rui Xingwen by name, it still called them "comrades." The only exception is Bao Tong, who was mentioned as "comrade" in the article.

The article carried by "JIEFANG RIBAO" stressed that China's news theory must adhere to the principle of party spirit. The news reform must adhere to the correct political orientation and must resolutely oppose the corrosive influence of the foreign bourgeois news theories. The article carried by "WEN WEI PO" criticized and repudiated the bourgeois news theory, stressed the unity between the social nature of news and the class nature of news, and ruled out the existence of the super-class and abstract "news freedom," "objective news reporting," and "fair news comment."

Li Xiannian Addresses CPPCC Meeting 11 Oct

HK1310134689 Beijing RENMIN RIBAO in Chinese
12 Oct 89 pp 1,2

[XINHUA report: "Speech By Li Xiannian at The Enlarged Presidium Meeting of The Seventh National Committee of The Chinese People's Political Consultative Conference [CPPCC] (on 11 October 1989)]

[Text] Vice presidents and comrades:

This enlarged presidium meeting has proceeded for 3 and ½ days, during which we studied and discussed Comrade Jiang Zemin's "speech at the meeting in celebration of the 40th founding anniversary of the PRC," which he delivered on behalf of the CPC Central Committee and the State Council. This meeting has proceeded well. Now I would like to air my views on some issues:

1. Comrade Jiang Zemin's speech has summed up the great achievements in various fields of our country over the last 40 years since the founding of the PRC, including the 10 years of reform and opening up. It made four conclusions summarized out of 40 years' experience, and explicitly expounded ten important questions to which the party and the state should pay particular attention in their present work. This speech was compiled on the basis of a collective discussion, soliciting extensive opinions from people in and outside the party, and concentrating on others' suggestions and wisdom. It is a good speech and gives expression to the spirit of Comrade Deng Xiaoping's remarks on coolly considering the past and the future. On the basis of the historical experience

of the previous 30 years summed up by the 6th Plenary Session of the 11th CPC Central Committee, it has initially summed up lessons and experiences in our modernization, reform, and opening for the last 10 years. On the major issues the speech expounds, it displays the spirit of the 3d Plenary Session of the 11th CPC Central Committee and the line of the 12th and 13th CPC National Congresses in an overall and accurate manner, and gives expression to the principles laid down by the 3d and 4th Plenary Sessions of the 13th CPC Central Committee. It has quite important significance in unifying the minds of the whole party and the people of all nationalities throughout the country, in boosting our morale, in overcoming difficulties, stabilizing and developing the country's political and economic situation, in taking economic construction as the central task, in adhering to the four cardinal principles, in holding firm to reform and opening up, and in building socialism with Chinese characteristics. This speech has further proved that the new core of leadership with Comrade Jiang Zemin as general secretary, who was elected at the 4th Plenary Session of the 13th CPC Central Committee, is a very good leading collective, a leading collective the party and the people can trust. Under the leadership of the CPC Central Committee, the whole party, the whole army, the people of the whole country, and our great people's republic will bravely forge ahead and keep scoring victories along the broad socialist road. We have full confidence in this.

2. The tasks we are facing at present are quite arduous and heavy. The burden is heavy and the road is long in realizing the target of socialist modernization in our country. In fulfilling these tasks, it is necessary to uphold the spirit of independence, self-reliance, diligence, thrift, and hard struggle, to rely on the common efforts of the people of all nationalities throughout the country, to strengthen the working class leadership, to consolidate the worker-peasant alliance, to further develop the patriotic united front work, and to strengthen the unity of the people of all nationalities throughout the country.

The speech has provided good explanations on the working class being the leading force of our country and on the need to rely wholeheartedly on the working class. Several years ago the leading role of the working class received little emphasis and the position of the working class did not receive proper attention. This problem must be corrected. There is one more thing I would like to say: The 10,000 existing large and medium-sized state enterprises represent our country's most advanced productive forces. The largest concentration of industrial workers is in these enterprises, which are also the backbone of our national economy. Making these enterprises successful is of great strategic significance to ensuring the long-term, sustained, and stable development of our national economy. For several years in the past we did not pay adequate attention to large and medium-sized state enterprises. This was unfavorable to the country's economic development. We should rely wholeheartedly on the working class, including industrial workers in

enterprises, managerial personnel, engineers, and technicians, to bring their initiative into full play, introduce in-depth technical innovations and transformation, continue to reform and improve our operational and management systems, and make every effort to run these enterprises well. As long as we rely on the working class, actively carry out reform and opening up, and develop the spirit of self-reliance, not only can we master advanced foreign technology and their operational and managerial experiences, we will also be able to blaze new trails. Running large enterprises well will be quite important to China's national economic development and to strengthening the leading role of the working class as well.

The worker-peasant alliance is the foundation of the political power in our socialist country and the foundation of the United Front work as well. Now agriculture and the countryside are facing quite a number of problems. The situation is grim. It appears that in agricultural development, not only do we need to adjust our policy appropriately and popularize advanced science and technology, but we should also increase investments and improve the conditions for agricultural production. Not only the state but the localities and the peasants should increase their investments, in particular, the peasants should increase their labor investments. Every possible means should be used to bring into play the peasants' initiative in production. There is a need to organize the peasants in building water irrigation projects, in soil improvement, in afforestation, in collecting and applying farm fertilizers, in making major efforts to develop agriculture, forestry, animal husbandry, sideline production, and fishery, and in improving their stamina for agricultural production. The state should support agricultural and industrial development and provide all kinds of services for agricultural production. The 21st CPPCC presidium meeting has submitted a proposal to the CPC Central Committee and the State Council on this problem. I will not deal with it again here. In short, the problem of developing agriculture and the countryside not only involves the stability and development of the national economy but also has an important bearing on the consolidation of the worker-peasant alliance on the new basis. This issue is extremely important and requires full attention. Intellectuals are a part of the working class. Like the workers and peasants, they constitute a basic force for socialist modernization. It is impossible to build modernized socialism without intellectuals. For the last 40 years intellectuals have made tremendous contributions to developing the country's educational cause, science, and technology, to improving the cultural quality of the entire nation, and to introducing modernization. Practice has proved that the majority of China's intellectuals support the CPC and firmly take the socialist road, they are completely trustworthy. We should enthusiastically unite and help a small number of them who have been influenced by bourgeois liberalization over the last few years, and should believe that they will gradually improve their understanding through practice. Fang Lizhi, Yan Jiaqi,

and the likes cannot represent Chinese intellectuals at all. They are the renegades of the nation. We should continue to respect intellectuals and talented people, to strengthen education and scientific research, and to expand and improve the intellectual ranks so that they can further contribute their wisdom and talents to socialist modernization.

On the basis of the worker-peasant alliance led by the working class, we should also unite with people from all walks of life and all the forces that can be united. We should develop the broadest possible united front comprising of socialist laborers, patriots who support socialism, and patriots who support the reunification of the motherland. Our policy should embody the economic interests and political positions of people in all strata and fields, and we should carry out "unified planning with due consideration for all concerned" so that "each is properly provided for," as Comrade Mao Zedong instructed.

2. Probing into the antiriot measures of putting prevention first:

Through making the above-mentioned analysis of the characteristics and reasons of the rebellion, I believe that our antiriot measures must be based on putting prevention first. Only thus can we ensure the stability and consolidation of our party and government, the stability and unity of our people, and the prosperity and development of our society. The antiriot measures of putting prevention first include, in principle, the following six points: 1) We must conscientiously strengthen ideological and political work, and provide education in patriotism, socialism, independence, and initiative, hard struggle, and striving to become "new persons of four halves." We must educate party and government organizations at all levels, and people throughout the country, so that they will conscientiously uphold the four cardinal principles, the foundation of founding our country, eradicate spiritual pollution, and completely wipe out the spiritual soil on which the anti-party and anti-government rebellion grows.

2) We must hold fast to the new trend of class struggle, bourgeois liberalization which brings calamity to the country and the people, and resolutely fight against the words and deeds of bourgeois liberalization under the beautiful cloaks of "reform," "democracy," "patriotism," and "human rights."

3) We must vigorously strengthen our party building, perfect our party organizations, consolidate the party leadership, improve our party work style, and severely punish those who are guilty of corruption and government profiteering to restore the prestige of the party. While promoting democracy and legal system inside the party, we must correctly handle relations between laws, and individuals, power, money, influence and sentiments. We must restore and develop the lofty image of our party, government and Army, which was defamed by

those who preach bourgeois liberalization, and remove blasting fuse which might cause a counterrevolutionary rebellion.

4) We must persist in reform and opening up, a way for making our country strong and prosperous, and continue to do well the work of improving the economic environment and rectifying the economic order. We must vigorously develop our basic industry, lower consumption, increase market supply, stabilize commodity prices, and curb production decline to fully show the superiority of reform and opening up of greatly benefiting the masses with an aim of winning the support of the people.

5) To attain our strategic aim of ensuring the permanent stability of our party and government, we must truly strengthen the building of our Army and police force. It is necessary for us to take some means to increase their revolutionary and modernization level.

6) The relevant departments of the party and government must fully make use of all legal ways and means to learn how a counterrevolutionary rebellion, or turmoil is prepared, organized, and planned. We must take the initiative to take law as our weapons to resolutely deal blows at them.

3. Studying the antiriot means to be taken by the party, government, Army, police, and the people:

Once rebellion breaks out, the key to quelling it rapidly and stabilizing our state power lies in the effective means taken by our party and government. Judging from the successful experiences in quelling the "June 3d" counterrevolutionary rebellion, joint measures taken by the party, government, Army, police, and the people were an effective means for stopping and suppressing various kinds of counterrevolutionary rebellion. These joint measures mainly include the following six aspects:

1) In the course of quelling a rebellion, the party Central Committee, State Council, and Military Commission must promptly establish special groups to organize, lead, and coordinate the struggle of stopping and quelling the counterrevolutionary rebellion. The main leaders of the party, government, and Army must explicitly demonstrate their attitude toward the rebellion through mass media and propaganda instrument. They must also show their deterrent image of unity, staunchness, and self-confidence. This is the key to swiftly and smoothly quelling the rebellion.

2) When a counterrevolutionary rebellion occurs, in accordance with the stipulations contained in our constitution, the state must carefully organize the People's Liberation Army, public security forces, and the armed police forces to enforce martial law order to maintain the safety and stability of the party, government and military organs, and other important enterprises and institutions in the fields of transportation, postal and telecommunications, radio broadcasting and television stations, water and electricity supply, gas, finance and so on. They must ensure the normal operations of the state machines.

3) Measures must be taken to strictly control the propaganda machines and mass media of the party and state. During this meeting we have only initially studied Comrade Jiang Zemin's speech, and will continue to profoundly study it after the meeting. We will implement the spirit of his speech in United Front and CPPCC work.

Vice presidents and comrades:

The tasks we are facing are arduous yet glorious. There are many difficulties before us. At present we should strive to do a good job in domestic affairs. We should consolidate and develop political stability and unity with one heart and one mind, and concentrate our efforts on improving our national economy. We will continue to adhere to the policy of reform and opening up, actively assimilate advanced foreign technology and managerial experience, and develop economic cooperation with foreign countries. However, we are not afraid of economic sanctions by big Western countries. The Chinese people have high aspirations. The CPC and the Chinese people have overcome all kinds of difficulties, obstacles, and dangers. Now, as we have summed up both positive and negative historical experiences, we have acquired a more embracing and profounder understanding of our development road, we have strong ability and fuller confidence in surmounting difficulties, and we will bravely forge ahead along the socialist road.

State Council Meeting Approves Two Decrees

OW1310132289 Beijing XINHUA in English
1302 GMT 13 Oct 89

[Text] Beijing, October 13 (XINHUA)—The 49th Executive Meeting of the State Council, chaired by Premier Li Peng, today discussed and approved two decrees.

They are "The City Planning Ordinance (Draft)" and "The Regulations on Management of the Registration of Social Organizations (Draft)".

It was pointed out at the meeting that city planning in China has taken big strides since the third plenary session of the 11th party committee of the Communist Party held in 1978.

The city planning regulations published by the State Council in 1984 have played an important role in China's city planning over the past five years.

However, with the development of urban reform, city planning and management face many new problems.

The meeting decided to submit the new ordinance to the Standing Committee of the National People's Congress (NPC) for examination and approval.

The regulations on management of the registration of social organizations, it was pointed out at the meeting, aim at safeguarding the freedom of association of citizens and the legal rights of social groups.

The regulations will be published by the State Council soon.

Comparison of Li Peng Speech to Model Workers HK0210031489

Beijing RENMIN RIBAO in Chinese on 29 September publishes in the middle of page 1 and the right half of page 2 the 4,500-character speech made by Li Peng on 28 September at the national meeting to commend labor models and advanced workers. This version has been compared with the Beijing Television Service in Mandarin version published on pages 21-25 of the 28 September China DAILY REPORT and has been found to be identical, except for the following variations:

Page 22, column one, paragraph four, sentence two of the RENMIN RIBAO version reads: ...the nation, the spine of the people... (changing "hope" to "spine");

paragraph five, sentence two reads: ...construction. Zhang Side of the 1940's, Meng Tai of the 1950's, and Lei Feng, Wang Jinxi, Jiao Yulu, and other advanced characters of the 1960's had educated and... (noting additional words);

column two, paragraph two, sentence two reads: ...role of labor models and advanced workers... (changing "heroes" to "models");

page 24, column two, paragraph three, last sentence reads: ...and art circles and on the propaganda front will produce more... (noting additional words);

paragraph four, sentence one reads: ...valuable assets of the party and the state. The... (noting additional words);

same paragraph, last sentence reads: ...create better living, studying, and working conditions... (changing "resting" to "studying").

Jiang Letter Marks Young Pioneers Anniversary OW1410045389 Beijing XINHUA Domestic Service in Chinese 1603 GMT 13 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 13 Oct (XINHUA)—Today is the 40th founding anniversary of the Chinese Young Pioneers [CYP]. On behalf of the party Central Committee, Jiang Zemin, secretary general of the CPC Central Committee, wrote a letter to the young pioneers and those people who engage in CYP work throughout China to warmly extend his congratulations to them. The full text of the letter reads:

Young pioneers and comrades who engage in CYP work:

Today is the 40th founding anniversary of the CYP. I hereby warmly congratulate the 130 million young pioneers throughout China and extend my respects and regards to the large number of instructors who have been

devoted to CYP work as well as to comrades who have shown concern for and participated in CYP work on behalf of the party Central Committee.

The CYP is both the reserve force in socialist construction for modernizing the motherland as well as a big school for children to learn socialism and communism. In the past 40 years, under the leadership of the Chinese Communist Youth League [CYL], the CYP has actively contributed its share to training successors to the proletarian revolutionary cause and has even brought up outstanding young pioneers like Lai Ning, from whom all should learn. The party wishes you further progress in this area.

The proletarian revolutionary cause requires arduous and unremitting efforts by people from generation to generation. Children of today should take up the heavy task of building the socialist motherland in the 21st century. It is necessary to start training successors when they are young. The work of the CYP is exactly to shape the future builders. In order to secure a bright future for China, not only the CYL and the educational departments, but also the whole party and society should pay attention to the work of the CYP, create favorable conditions for the CYP, and help solve its problems, so it will play its role in uniting, educating, and guiding the large numbers of children.

I hope that the CYP will meet the party's requirements for the young generation and persistently carry out basic education in communism among children. I hope that young pioneers throughout the country will learn from Lai Ning, emulate the examples of the advanced, foster revolutionary ideals, develop noble qualities, master knowledge in culture and science, engage in physical exercises, and follow Comrade Deng Xiaoping's instruction to become successors to the proletarian revolutionary cause who have lofty ideals and good morality and are well-educated and disciplined.

[Signed] Jiang Zemin
[Date] 13 October 1989

Li Ruihuan Discusses Pornography, Rectification OW1510224989 Beijing XINHUA Domestic Service in Chinese 1308 GMT 15 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 15 Oct (XINHUA)—Excerpts of a speech delivered by Li Ruihuan on 11 September 1989 at a discussion meeting of four southern provinces on the "elimination of pornography."

On 24 August this year, the party Central Committee and the State Council held a national telephone conference on cleaning up and rectifying books, newspapers, periodicals, and audio-video markets. After the conference, an antipornography campaign started throughout the country. In most provinces, autonomous regions, and municipalities, responsible comrades of party and

government organizations have personally participated in the campaign and made specific arrangements for it. Special leading groups for the campaign have been formed at various levels in many localities. The broad masses have unanimously expressed their resolute and warm support for the central authorities's decision on the "elimination of pornography," and regard the decision as a good and practical thing for the people. Comrades Xiaoping, Chen Yun, Xiannian, and some other veteran comrades have all shown great concern about the campaign, and they hope it will be successfully carried through to its conclusion. A nationwide climate for the "elimination of pornography" has taken shape.

We should also see that since the antipornography campaign just started, its progress is uneven from place to place, with nothing being done in some areas. Particularly in some localities, the leaders have not really paid attention to it, the work is still in a stage of general calls for action, and nothing has really been done in many respects. For this reason, a top priority now is to make further efforts to promote the antipornography campaign and prevent it from sliding from a good beginning to a poor finish. The key to success in this work lies in strengthening leadership and doing serious work.

First, it is necessary to deepen the people's understanding of the campaign. There are many reasons that the antipornography campaign is not proceeding further in some localities; the major one is that their leaders lack sufficient understanding of the importance and urgency of the campaign. The central authorities are determined to eliminate pornography, and members of the Standing Committee of the Political Bureau unanimously think that we must be determined in carrying out the campaign. The campaign is not a "trifling matter." It is important work, an important part of implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. It is also a part of the struggle against bourgeois liberalization. While the flooding of society with obscene publications and audio-video products is the result of bourgeois liberalization, these materials also promote further bourgeois liberalization. One of the important means foreign hostile forces are using to push China into "peaceful evolution" from socialism back to capitalism is to use pornography, gambling, and drugs to poison the Chinese people. Clear proof of this is the fact that some dregs of society came out into the open to serve as adventurous henchmen during the recent counterrevolutionary rebellion in Beijing.

Second, it is necessary to take action. A number of facts show that a lot of our work has not been done well—not because our policy is incorrect or our ideas are not good enough, but because the leadership fails to pay attention to the work and causes many good ideas to become empty talk. To attain the objectives of the antipornography campaign, the most important thing is to seriously conduct solid work and carry the campaign through to the end. The key to conducting serious and solid work lies in overcoming a superficial style of work and providing concrete guidance for the work. All organizations

must work out plans, take measures, make arrangements, conduct inspections, and implement the responsibility system among their personnel at various levels.

Third, it is necessary to focus on the major points of the campaign. What are the major points of the campaign? They vary from time to time and from place to place. The present task is to concentrate on uprooting the sources of pornography and obscene publications. We will be unable to eliminate pornography if we do not concentrate on clearing up those organizations and places where a large number of obscene publications are published and sold. For instance, during the current campaign, we should focus on some coastal cities and towns, such as Shishi in Fujian, Wenzhou in Zhejiang, and Haikou in Hainan. Some people in these areas are colluding with overseas businessmen in smuggling in and copying a large number of pornographic videotapes, books, and magazines and then selling them in the inland areas, harming all the country. In some of these areas, prostitution is very common in addition to pornography, gambling, and drugs which is creating an underworld force. Those sinister spots must be resolutely cleared and the evils must not be tolerated. In some provinces, including inland provinces, some publishing houses, printing shops, and book salesmen have published and put on sale a large number of obscene publications, books of bad taste, and pornographic videotapes. They even have a well-organized underground sales network. Those organizations must be thoroughly rectified and the rectification must not be done perfunctorily. Bad books must be confiscated and the publishing houses and printing shops involved must be closed down. Those who are to blame must be investigated and punished.

Fourth, it is necessary to make examples of some typical cases. To select some cases, deal with them, and give them wide publicity is an important step in deepening the antipornography campaign. Doing so will show the determination of the leaders, demoralize the criminals, and mobilize the masses. Doing so will also be part of the party's policy. To isolate and strike at a handful of bad people and save those who made only minor mistakes and who can be saved through education, we must be lenient to those who confess their crimes and harsh to those who refuse to. We must also exempt from punishment the wrongdoers who later do a good deed and even award any wrongdoer who later performs outstanding service. In selecting typical cases in various localities, we should pay attention to choosing both examples of lenient treatment and examples of harsh punishment to demoralize the bad people and facilitate our work. Well-prepared handling of some typical cases will lay a good foundation for handling subsequent cases and for formulating relevant policies and laws.

Last, I will discuss how to make literature and art flourish. In the course of modernization, reform and opening to the outside world, how to make great strides in building a socialist spiritual civilization is a very important question demanding prompt solution. Building socialist spiritual civilization is a protracted

and arduous task. I have said that we should eliminate pornography, while making literature and art flourish and invigorate people's cultural life. We must firmly adhere to such a principle. Literature and art will not flourish by merely eliminating pornography. In any country, literature and art prosper by producing and marketing healthy and outstanding works and performances so that there will be no room for the obscene and the low class. To eliminate pornography completely, we must satisfy people's varied cultural demands and fill ideological and cultural needs with healthy works that people will enjoy hearing and seeing.

Discipline Investigations Surpass 64,000 Cases

OW1410054489 Beijing XINHUA Domestic Service
in Chinese 1521 GMT 13 Oct 89

[By reporter Chen Yan [7115 7159]: "Local Broadcast News Service"]

[Text] Beijing, 13 Oct (XINHUA)—The CPC Central Committee's Discipline Inspection Commission has informed this reporter that discipline inspection departments at all levels throughout the country handled 64,017 cases in the first 6 months of this year, of which 43,823 cases have been closed.

I have been informed that economic offenses placed first with 17,669 cases, which included 6,128 cases of embezzlement and 4,411 incidents of bribery and bribe-taking. The violation of planned parenthood policy was the second most numerous category with a total of 17,117 cases.

This reporter has been told that during the 1st half of this year, 41,147 people were subjected to party disciplinary actions throughout China, including 8 people at the provincial and army level, 70 at the prefectural and division level, 804 at the county and regiment level, and 3,880 at the township and battalion level. As a result, 8,252 individuals were expelled from the party; 9,898 were put on probation; 1,267 were removed from party posts, including 320 cadres at the county and regiment level who were given even more severe punishment, and 19,417 party members were given more severe punishment than removal from their posts; 2,582 party members were punished for criminal offenses, including 59 at the county and regiment level; and 7,723 party members were subjected to administrative disciplinary actions, including 344 at the county and regiment level.

An analysis of the cases shows that economic irregularities continue to be prominent causes of the mistakes committed by party members. In this connection, party disciplinary action was taken against 8,207 people, whose most serious offenses were embezzlement and bribe-taking. Even more party members, a total of 15,546, the overwhelming majority of whom were ordinary party people, were punished for violating the policy on planned parenthood.

A responsible person of the Central Discipline Inspection Commission noted: Judging from the cases handled during the 1st half of this year, the number of party members who committed mistakes exceeded the average number during the 1st half of last year, and it is increasing. This increase in cases is a major tendency of disciplinary violations by party members at present.

Commentator Says Marxist Study 'Urgent'

HK1010093889 Guangzhou NANFANG RIBAO
in Chinese 5 Oct 89 pp 1,3

[Commentator's article: "An Urgent Task—Conscientiously Study Comrade Jiang Zemin's Important Speech"]

[Text] At a meeting to celebrate the 40th founding anniversary of the PRC in Beijing, Comrade Jiang Zemin made a lengthy important speech on behalf of the CPC Central Committee and the State Council. In his speech Comrade Jiang Zemin incisively made four basic conclusions concerning the country's socialist revolution and construction for the last 40 years. From 10 different angles he expounded the party's principles and policies in an overall and systematic manner and explicitly reiterated that the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee will remain unchanged. Comrade Jiang Zemin's speech is very important and is a programmatic document guiding the work of the entire party at present. The provincial party committee has made a decision demanding that all departments, units, and party committees throughout the province should conscientiously organize cadres and masses in studying Comrade Jiang Zemin's speech. They are required to profoundly understand the essence of his speech and to make efforts to implement his speech in various fields of work.

For the last 3 months, cadres and masses in the province have engaged in the serious study of the spirit of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's recent speech. They have summed up their lessons and experiences and enhanced their consciousness of implementing the party's basic line. Now we should combine our studies of the spirit of the 4th Plenary Session of the 13th CPC Central Committee, Comrade Deng Xiaoping's important speech, and Comrade Jiang Zemin's important speech on National Day. We believe such combination will play an important role in improving the ideological understanding of cadres and masses throughout the province, in adhering to "one central task, two basic points," in improving the economic environment, and in rectifying the economic order.

We say there is need to unify and improve our understanding. But in which aspects of party and government work should we unify and improve our understanding? Comrade Jiang Zemin talked about 10 important points in his speech. He explained well and very profoundly. In

our study we should focus on these 10 important points in light of the actual conditions in our departments and regions. We should sum up and review our experience and conscientiously solve our ideological problems. Leading cadres at all levels should take the lead in study. Through months of study, cadres and masses in the province have reached a consensus on these problems. But we should be aware that they have not reached a unified understanding on some other problems. Even though they have reached a unified understanding, this understanding is still superficial, and there is a need for them to deepen their theoretical understanding.

In view of this situation, in the course of studying the spirit of the 4th Plenary Session of the 13th CPC Central Committee and important speeches by Comrades Deng Xiaoping and Jiang Zemin, we should also conscientiously study the basic theories of Marxism-Leninism-Mao Zedong Thought, particularly Marxist philosophy as well as its scientific world outlook and methodology. The important speeches by Comrades Deng Xiaoping and Jiang Zemin are rich in content, carry profound implications, and involve both practical and major theoretical issues. We should not be content with the superficial meaning of words but should combine theory with practice and thoroughly understand what we study. We should understand what to do, why we should do it, and what not to do. In his speech Comrade Jiang Zemin pointed out: "The theoretical improvement of the party is a fundamental guarantee for the correctness and scientific nature of party leadership. In view of the many new circumstances and issues in the world and China and taking account of the party's important position in China's socialist construction and the international communist movement, it is necessary to view learning and studying Marxist basic theories as well as studying and exploring major theoretical questions on contemporary politics, economics, and society as an urgent task and to bring this task to the attention of the entire party." We should profoundly apprehend the essence of these important remarks, enhance our consciousness of learning and studying Marxist basic theories, and earnestly take our theoretical study as a basic task to fulfill.

In learning and studying Marxist basic theories, we should overcome some ideological obstacles in our theoretical study. Some comrades said: "I am engaged in actual work, I will never go wrong as long as I follow 'red letterhead documents.'" These comrades have separated actual work from theoretical study and some of them have even set theoretical study against actual work. As a result they have relaxed their theoretical study, their theoretical level has not improved, and they have gradually lost their political sensitivity. Apart from being unable to do a good job in their work, they have made errors, lost their political bearings, and even committed mistakes. "One central task, two basic points" was laid down by the 13th CPC National Congress as the party's basic line. It is a "red letterhead document." But why is it that some regions and departments have implemented

it well and others have not? A fundamental reason is that those who have not implemented it well do not have an all-around and profound theoretical understanding of "one central task, two basic points." In other words, they do not have an all-around and profound understanding of the dialectical relationship between the four cardinal principles and the policy of reform and opening up. As a result they are "resolute in implementing the policy of reform and opening up" but are not "firm in adhering to the four cardinal principles." Only with an explicit understanding of the dialectical relationship between the four cardinal principles and the policy of reform and opening up, can we organically combine them, put into effect the four cardinal principles, persist in reform and opening up, and carry forward our socialist cause.

Some comrades said that "theoretical study is like distant water that cannot put out a fire close at hand or quench a present thirst." This is a one-sided understanding of theoretical study. Of course, if a theory is taken as rigid dogma, this theory is really like distant water that cannot put out a "fire" close at hand or quench a present "thirst." But the basic Marxist theories we should learn and study are theories that combine the universal truth of Marxism with China's specific conditions. Now we should stress the importance of studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics because this is a scientific theory that has been recognized and accepted by the millions through 10 years of practice. This theory is like "near water" that can quench a present "thirst." In the course of improving the economic environment and rectifying the economic order, we have through theoretical study deepened our understanding of the dialectical relationship between improvement, rectification, reform, and opening up. This will enable us to strengthen our confidence and to do a good job in improvement and rectification, in deepening reform, and in pushing forward socialist construction. How can we say that theoretical study "is like distant water that cannot put out a fire close at hand"?

Comrade Mao Zedong always encouraged us to seriously learn and study basic Marxist theories, as has Comrade Deng Xiaoping. Now Comrade Jiang Zemin has also proposed taking the study of basic Marxist theories as an urgent task and that this task should be brought to the attention of the entire party. Taking the study of Comrade Jiang Zemin's speech as a turning point, we should earnestly and unswervingly strengthen our theoretical study, improve our political sensitivity, and do a better job in implementing the party's basic line.

International Liaison Work To Increase

HK1010045389 Hong Kong LIAOWANG Overseas
Edition in Chinese No 40, 2 Oct 89 pp 3-4

[The CPC Is Actively Unfolding Its International Liaison Work—Zhu Liang, Director of the International Liaison Department of the CPC Central Committee, Replies to the Questions of a LIAOWANG Reporter]

[Text] [LIAOWANG] What development of and changes in its international liaison work have been made by the CPC over the past 40 years? Which main achievements have been scored by it?

[Zhu] Over the past 40 years since the founding of the PRC, especially in the past some 10 years after the 3d Plenary Session of the 11th CPC Central Committee, the CPC has scored very great achievements in its work in the field of external relations, in compliance with the party line and policies and under the direct leadership of the party Central Committee. The CPC has now established ties with some 260 political parties in the world in different forms.

Over the past 40 years, the CPC has undergone several important stages of development in its international liaison work. In the wake of the birth of New China, the CPC has expanded and developed its ties and friendship with the communist parties and peoples of various countries. The CPC international liaison work is centered on defending state sovereignty, independence, and security; supporting the righteous struggles of the peoples of all countries in Asia, Africa, and Latin America, particularly the struggles of the countries, including Korea, Vietnam, and Algeria, against foreign aggression; striving for a peaceful international environment for China's socialist construction; and contributing toward upholding world peace and human progress. By the end of the 1950's, the CPC had established or maintained friendly relations with the great majority of the communist parties in the world. In the beginning of the 1960's, the great debate of the international communist movement broke out and after that, China carried out the "Great Cultural Revolution." The ties between the CPC and the majority of foreign communist parties were discontinued.

Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC has made important adjustments in its principles and policies toward its work in the field of external relations. On the foundation of summing up the historical experiences, the 12th CPC National Congress proposed that according to the principle of "independence, initiative, complete egalitarianism, mutual respect, and noninterference in each other's internal affairs," the relations between the CPC and foreign political parties be developed. All parties, large and small, are equal and independent. The CPC neither interferes in the party internal affairs of the other countries nor utilizes its party relations to interfere in the internal affairs of the other countries. It is necessary to strictly abide by the Five Principles of Peaceful Coexistence between a country and another country. On the basis of the above-mentioned principles, we have gradually resumed the relations with the communist parties that were suspended in the 1960's. Likewise, on the basis of the above-mentioned principles, we have established ties and started friendly contacts with the friendly political parties of the Third World, with the socialist parties (including socialist democratic parties and labor parties) of various countries, and with the other friendly political parties. Over the past few years, the CPC

has had extensive connection and contacts with many foreign political parties. The contents and scope of the contacts are richer than before and the forms are more diversified.

In June this year, by virtue of the power vested by the Constitution, the Chinese Government adopted resolute measures to put down the counterrevolutionary rebellion breaking out in Beijing. Many foreign political parties expressed their understanding and support of the suppression of the rebellion. These political parties declared that China's handling of this incident was its internal affair and that they opposed any foreign interference. In particular, the countries of the Third World themselves realized that the developing countries must oppose foreign interference and subversion, strive for a peaceful international environment, and at the same time, have a stable domestic environment to embark on their own construction. However, there is also a small number of political parties that did not understand China's suppression of the counterrevolutionary rebellion. Moreover, we have also noted that with their understanding of the real facts of the suppression of the rebellion, some have already understood or begun to understand the nature of this disturbance. Historical experiences showed long ago that the internal affairs of all countries can only be handled by all countries themselves independently and with the initiative in their own hands and that foreign interference and censure with any reason and in any form are not permitted. In the future, the CPC will still maintain and develop its normal relations with the political parties of all countries on the basis of the four principles of the relations between a party and another party as it did before.

[LIAOWANG] As you recently visited the Soviet Union, please discuss the situation in this aspect.

[Zhu] In May this year, China and the Soviet Union held a high-level meeting, which realized the normalization of the relations between China and the Soviet Union and between the parties of the two countries. The normalization of the Sino-Soviet relations not only is welcomed by the peoples and Communist Party members of the two countries but also conforms to the interests of safeguarding world peace.

To carry out the normalization of the relations between two parties that was opened up by the Sino-Soviet high-level meeting, at the invitation of the CPSU Central Committee, I paid a 5-day visit to the Soviet Union several days ago. During the period of my visit, I had talks with Falin, a member of the CPSU Central Committee and chief of the International Department of the CPSU Central Committee, on many occasions. Despite many claims on his time, Yakovlev, a member of the Politburo of the CPSU Central Committee and secretary of the Secretariat of the CPSU Central Committee, managed to meet us for a very long time and passed on General Secretary Gorbachev's invitation to General Secretary Jiang Zemin to visit the Soviet Union. At these talks and meeting, both sides exchanged views on the

international and domestic problems, reform, and the other problems with which they were concerned. In the course of our conversation, we held that it was necessary to adhere to reform but in reform, it was essential to adhere to party leadership and the socialist orientation.

Although my visit to the Soviet Union was not long, I saw the great achievements of the Soviet Union in socialist construction over the past 70 years. Comrades of the Soviet Union also told us that the reform that they were currently carrying on was confronted with many complicated and difficult questions. I wished the Soviet people overcoming their difficulties on the road of advance, directing reform to the road of success, and giving play to the superiority and appeal of socialism even better achievements under the leadership of the CPSU.

[LIAOWANG] Please discuss the difference between the international liaison work of the CPC and the diplomatic work of the government.

[Zhu] The international liaison work of the CPC is an important aspect of the work of the Chinese foreign affairs. It and the government diplomatic work supplement and promote each other. The contacts among political parties are a universal international phenomenon and the international contacts among ruling parties have especially become an indispensable component part of the external activities of many countries. Moreover, the party external work also has its own characteristics. In the contacts among political parties, no affairs among the states are handled but the situation and experiences in the administration of parties and countries can be exchanged and lessons drawn from one another. In the contacts between the CPC and the political parties of various countries, they have also frequently exchanged views on safeguarding world peace and promoting human progress. In the contacts among parties, the views on the international and domestic questions with which they are concerned can be extensively and freely exchanged at many levels and through many channels so as to strengthen their understanding and friendship and to promote the development of the state relations and peoples' friendly relations. The political parties of many countries exercise leadership of or influence on the mass organizations, such as trade unions and youth, women's, and peace organizations and the party contacts are also favorable to the contacts among these mass organizations. On the basis of the line, principles, and policies of the CPC and of the guidelines of all directives of the central authorities, the International Liaison Department of the CPC Central Committee will further do the party external work well, extensively make friends, and serve China's modernization, reform, and opening up.

[LIAOWANG] Please briefly discuss the characteristics of the foreign liaison work of the CPC over the past few years.

[Zhu] First, the aim is clear and definite. The international liaison work of the CPC is to serve peace and development—the common task with which the peoples of the world are now confronted. Through the ties with the political parties of all countries, we unite all forces that are willing to be on friendly terms with China, support the peoples of all countries of the world to safeguard world peace and to strive for social progress, oppose hegemonism and power politics, oppose the sabotage of the Five Principles of Peaceful Coexistence and the act of wantonly interfering in the internal affairs of other countries, and strive for a relatively long-term peaceful international environment for China's socialist modernization. Under the guidance of the line of the 13th congress, the international liaison work of the CPC is to implement "one center, two basic points" and to exchange experiences in construction and reform with some friendly political parties in order to develop and perfect socialism.

Second, the principles are clear and definite. It is necessary to persistently regard the four principles of the interparty relations with independence and initiative as the core and to develop its relations with foreign parties. Historical experiences repeatedly prove that the relations between a political party and another political party can healthily develop by complying with the four principles of the interparty relations; obstacles to the relations will appear by running counter to the four principles. One of the most important points of implementing the principle of independence and initiative is the noninterference in each other's internal affairs. It is not at all surprising that views differ between two political parties for various reasons. A political party cannot interfere in the internal affairs of the political party of another country in any form. The political parties whose ideologies are different can also adhere to the spirit of seeking common ground while reserving differences and maintain and develop their mutual friendly relations but a political party cannot use its ideology and the standard of its concept of value to criticize or attack another political party whose ideology differs from its own. Should it be done this way, the development of the normal relations between the political parties would be impaired.

Third, the scope of making friends is wide. By adhering to the spirit of seeking common ground while reserving differences, uniting all forces that can united, and extensively making friends, the CPC keeps ties and contacts in various forms with not only the political parties and organizations of various countries of the world but also the representative figures of certain international organizations and friendly personages. Through the channels of the political party and mass organizations, it acts as a go-between for economic departments and regions at home, introduces foreign capital, technology, and qualified personnel, and directly serves economic construction at home.

Fourth, we resolutely support the righteous struggles of the peoples of all countries, particularly the peoples of

the countries of the Third World. The CPC persists in the principle of and stand in opposing imperialism, hegemonism, colonialism, and racism; resolutely support the righteous struggles of the countries and peoples of the Third World for safeguarding national independence and developing the national economy; resolutely support the righteous struggles of the peoples of all countries against foreign aggression and interference and for striving for and upholding their legitimate rights and interests.

The contacts between the CPC and the political parties of the countries of the Third World are developing in width and depth. While meeting the leaders of countries of the Third World, the leaders of the CPC pointed out on many occasions that the developing countries were looking for and exploring a road that suits their own national conditions and formulating the policies of building their own countries in the cause of their own national construction. In its contacts with the political parties of the Third World, the CPC pays attention to exchanging experiences in the aspects of party organization and ideological building. We extensively brief our friends on the situation, including the actual politics and economy of China; discuss both the achievements in construction after the founding of New China and our problems and lessons; expound the CPC line and principle of "one center, two basic points," China's peaceful diplomatic policy of independence and initiative, the Five Principles of Peaceful Coexistence, and the four principles in which the CPC handles its relations with foreign political parties. We also seriously exchange views on striving to build a new order of the international economy and politics and express our resolute sympathy and support for the righteous struggles of the peoples of all countries of the Third World.

Mediation System Resolves Legal Disputes

HK1010021089 Beijing CHINA DAILY in English
10 Oct 89 p 4

[By Gao Aming]

[Text] A woman in Gulan village in south China's Guangxi Zhuang Autonomous Region had a serious quarrel with her father-in-law. Angered and saddened, she took the incident to heart and declared she was going to drown herself in a nearby river.

The woman's farmer-husband became furious to hear her words and resolved to kill himself and his father. He poured nine litres of gasoline all over his house and locked his father and himself inside.

Several elderly and respected villagers, acting as mediators, rushed to the scene and persuaded the young man to open the door. Once inside, by patient work, they managed to patch things up between the father and the young couple.

This is an example of the "people's mediation system" in China, esteemed by many Westerners.

The system has become major method of settling civil disputes on marriages, family relations, housing, money or property issues.

The country now has more than 1 million mediation committees with over 6 million mediators, PEOPLE'S DAILY reported. From 1982 to 1988, some 50 million civil issues were settled by them, five to 10 times the number of cases that went to court.

During the same period, mediators also helped save 680,000 lives threatened by homicide or suicide, the paper said.

As a result of years of practice, the mediation system has developed into the typical Chinese legal procedure in which ordinary citizens participate in social affairs and act as aides for the judicial, party and government departments at grassroots levels.

Mediators in rural areas are usually middle-aged or old villagers. In cities, they often come from the ranks of retired workers, government employees, teachers and housewives. They are usually acknowledged as impartial, upright and popular. They have received some training in law, government policy and mediation. Some are volunteers but most receive some pay from the local government.

Although the mediators, elected by their neighbourhoods, do not have titles or power, they enjoy popular support and respect as they report the views, complaints and wishes of the populace to grassroots governments and pass along the government principles, policies, laws and regulations to the masses, according to PEOPLE'S DAILY.

Most importantly, the mediators have helped ease conflicts of interest, avert criminal offenses and promote social stability and family harmony through painstaking persuasion and mediation.

When conflicts become acute, they often stand up to the challenge and, due to their courage, are able to prevent criminal acts from being committed. As a result, the mediation practice is considered "the first defence line" of judicial work, the paper reported.

Origin

The people's mediation system started in the late 1920s as spontaneous practices among the masses under the communist-led revolutionary government, according to LEGAL DAILY.

After the founding of the People's Republic in 1949, governments at various levels improved the system in line with the "Provisional Organizational Regulations of People's Mediation Committees" promulgated by the State Council in 1954.

During the "Cultural Revolution" (1966-1976), when the country was thrown into chaos under ultra-leftist

policies, mediation was criticized as "a tool of class reconciliation" and was brought to a halt, LEGAL DAILY said.

Mediation was revived after 1978, when the party introduced more practical and flexible policies into the country's economic and political life. It has since entered its golden age of development.

The practice was, for the first time, incorporated into the fourth Constitution in 1982 as the frontline for maintaining social order and a channel for the populace to air their views, grievances and suggestions to the government. In June, the State Council issued revised regulations governing the formation of mediation committees, in which the nature, purpose, principle and organization of the committees are further clarified and the procedures, discipline, pay, rewards and penalties are specified, according to the paper.

Mediation groups have been established in 88.7 percent of the country's village committees, 92.5 percent of the urban neighborhood committees and most of the government institutions and enterprises, including many Sino-foreign and foreign ventures.

The quality of the mediation work has also been upgraded. Formerly, most mediators usually did the job on the basis of their personal popularity, experience or accepted social norms and habits. Now, they base their work on laws and policies. Some are even engaged by local legal consultative services as part-time lawyers.

Local, grassroots, judicial and administrative organs have set up special departments in charge of mediation. Grassroots governments have assigned assistants to supervise, train and reward mediation personnel and to report any problems in the practices to government departments at higher levels.

Regulations Tighten Noise Controls

HK1010014289 Beijing CHINA DAILY in English
10 Oct 89 p 3

[By staff reporter Zhu Baoxia]

[Text] People suffering from noise pollution caused by loudspeakers in downtown areas will find themselves in a quieter environment from December.

And it should also be easier to get to sleep at night as factories will be told to cut down on noise.

Also from December 1, use of loudspeakers from cars, without permission from the people's governments above county level, will disappear from all public places.

All the changes result from the implementation of the Regulations on Environmental Noise Control recently promulgated by the State Council.

The aim is to prevent and treat noise pollution and ensure that people have better and healthier surroundings, said Sun Jimin from the Pollution Control Department of the National Environmental Protection Agency.

The controls set out standards for environmental sound supervision and specific prevention and treatment measures for industry, construction, traffic and residential areas.

It also outlines the specific duties and working methods for personnel with environmental protection and other departments working for the programme.

Each department under the State Council as well as all local people's governments should include noise control in its plans for national economic and social development.

Environmental protection departments will involve personnel from public security, traffic, railways, shipping and aviation administrative establishments in their work.

Every unit and individual has the right to inform on, and file charges in court against, any alleged case of noise pollution.

Rewards will be given to units and individuals who make major achievements in beating noise pollution while fines will be imposed on violators and those who do not reach the state standards.

All the money collected will be used to fight noise pollution.

According to Sun, until the promulgation of the law, environmental protection personnel at all levels have only had local guidelines to work with, thus the work has not been done methodically because it lacked a legal basis.

About 27 of the country's municipalities, provinces and autonomous regions have drawn up regulations for their noise control programmes, according to Sun.

Statistics revealed that every year, about 30 to 50 percent of the letters of complaint received by environmental protection departments concern noises, especially that from industrial production.

Some people are even willing to move house because of industrial and traffic noise.

Sun added that because the country now has more than 20 scientific research institutes and over 110 productive units to design and produce noise elimination instruments and equipment, noise pollution can be treated if measures are taken.

Science & Technology

New Alloys To Replace Imported Metals

OW1410190889 Beijing XINHUA in English
1453 GMT 14 Oct 89

[Text] Shanghai, October 14 (XINHUA)—China has developed a number of low-alloy steels and alloy steels for application in the railway, motor vehicle, and mold and bearing industries.

The fourth national meeting on low-alloy steels and alloy steels, held here today, was told that the major iron and steel producers and users have invested large sums to develop the new varieties of steel.

The new steels, which are resistant to rust, have upgraded China's rails, passenger cars, and rolling stock to the advanced international level.

The motor vehicle industry imported dozens of production lines from seven countries in the early 1980's, which called for large quantities of imported steels. The newly developed low-alloy and alloy steels have substituted for some of the imports.

The new products have also improved China's mining equipment, cranes, and molds, which used to depend on imports.

In addition, the country has developed steels for the manufacturing of high-speed tools and springs, and stainless steels.

The meeting also disclosed that China's iron and steel producers will focus on development of alloy steels for the energy, transportation, petroleum, chemical, machine-building, space and aviation, and electronic industries in the 1991-95 period.

Computers Control Fertilizer Production System

OW1610114389 Beijing XINHUA in English
1054 GMT 16 Oct 89

[Text] Chengdu, October 16 (XINHUA)—The production of chemical fertilizer controlled by computer, a key project in China's Seventh Five-Year Plan, has been approved by the state in Chendu City, capital of Sichuan Province.

After nearly six months' trial, the application of a computer system to the production of chemical fertilizer has proved that it can increase production, reduce energy consumption, stabilize operations and prolong the life of equipment.

Because of the complexity of chemical-fertilizer production, the selection of an appropriate computer system has been a major concern among scientists in China and overseas. In the 1970s, China imported advanced equipment for a dozen plants, each producing 300,000 tons of synthetic ammonia a year, but key materials are still handled manually.

In 1986, the East China Institute of Chemical Technology, the Sichuan Chemical Works and the Shanghai Chemical Engineering Institute jointly took up the project. They successfully accomplished the task in three years, making China a world leader in such technology.

Ethylene Project Completed in Nanjing

OW1510183089 Beijing XINHUA in English
1521 GMT 15 Oct 89

[Text] Nanjing, October 15 (XINHUA)—With the aromatic hydrocarbon installation put into trial operation this morning, the Yangzi 300,000-ton ethylene project has been totally accomplished.

The project began its construction in June 1984, with an investment of 6.683 billion yuan. It is the biggest petrochemical complex built in China since 1949.

Its General Manager Peng Zhechun said that the project includes 10 sets of chemical installations, with an annual production capacity of 300,000 tons of ethylene and 450,000 tons of aromatic hydrocarbon.

With crude oil as its raw material, the project produces ten varieties of plastics and organic chemical materials, including high-density polythene, polypropylene, benzene and some others, which will help greatly relieve the strain in the supply of organic chemical materials at the domestic market.

Triple-Coordinate Measuring Device Developed

OW1110215689 Beijing XINHUA in English
1439 GMT 11 Oct 89

[Text] Hohhot, October 11 (XINHUA)—China has successfully developed its first digital triple-coordinate measuring instrument which can measure flying objects and other precision or sophisticated machines.

All parts of the new instrument are made in China, which no longer need to depend on import of part of the technology for production of the instrument. This will save the country more than one million U.S. dollars in production of each instrument.

The instrument, combining digital-control, hydraulic and optical systems into one, has been computerized in information collection, processing and output. It can measure any machine which weighs less than 24 tons and measures two meters in diameter and 7.5 meters in height.

The machine, the largest in China, was designed by a research institute of the Ministry of Aeronautics and Astronautic Industry.

Scientists Solve Aircraft Bumping Problem

OW1110045489 Beijing XINHUA in English
0150 GMT 11 Oct 89

[Text] Xian, October 11 (XINHUA)—Chinese scientists have solved a world aeronautical problem—that of longitudinal oscillation, or bumping, of high-speed fighter planes in the air.

The scientists were led by Chen Tingnan, a professor at the Airforce Engineering Institute.

Heavy longitudinal oscillation of fighters in the air, or P10 as is known internationally, seriously endangers aircraft.

Professor Chen Tingnan undertook to solve the problem in 1988. He organized a research group that tried almost everything before discovering the causes of oscillation and effectively overcoming it.

Professor Chen Tingnan is 53 years old. He graduated from the Nanjing Aeronautical Institute in 1960.

Trace Elements Prove Useful Against Disease

OW1110045789 Beijing XINHUA in English
0152 GMT 11 Oct 89

[Text] Beijing, October 11 (XINHUA)—Chinese medical scientists have discovered that some trace elements in the human body are likely to help in the treatment of tumors and heart disease.

Wang Kui, director of China's National Laboratory of Natural and Bionical Medicines, says selenium, one of the trace elements in the body, seems able to produce a kind of cell likely to restrain the growth of cancer cells.

Created by a certain selenium compound, Professor Wang says, the element can change the cancer cells into a state of dormancy, thus preventing them from growing into malignant tumors.

In recent decades, Chinese scientists have conquered keshan, a local disease in Northeast China, by introducing trace elements into medical treatment. Professor Wang says the use of selenium in the treatment of cancer has also yielded some tentative advances.

With the development of new experimental technologies in medical science, such as atomic absorption, scientists have discovered that elements once regarded as poisonous to man are in fact indispensable.

However, he says, not all results of foreign research can be applied in China, for China is vast and natural conditions differ greatly from place to place. So Chinese scientists must try to draw their own conclusions.

In the process of applying trace elements to medical treatment, Wang says, proper dosage and careful diagnosis are most important.

He also says that what proper food should be eaten to ensure that man has taken the trace elements he needs has become a problem holding the attention of scientists.

Scientists in China are also trying to apply trace elements to fertilization, according to the professor. Experiments have proved that certain elements can stimulate the growth of watermelons and grains.

However, he says, further research is to be done on the proper quantity of trace elements that the new fertilizer should contain and its possible side-effects on agricultural products.

Biographies Profile Leading Scientists

OW1110120589 Beijing XINHUA in English
0802 GMT 11 Oct 89

[Text] Beijing, October 11 (XINHUA)—A series of biographies of contemporary Chinese scientists were published here today.

Edited and published by the Chinese Association of Science and Technology, the first five biographies were about nuclear scientist Qian Sanqiang, geologist Li Siguang, gynecologist Lin Qiaozhi, agricultural scientist Ding Ying and mechanic engineer Shen Hong.

In a preface to the books, Marshal Nie Rongzhen, former Chinese leader of science and technology for national defense, praised the scientists' commitment to reinvigorating the Chinese nation.

Military

Li Peng Discusses Defense Industry Production

OW1310210589 Beijing XINHUA in English
1620 GMT 13 Oct 89

[Text] Beijing, October 13 (XINHUA)—Li Peng, premier of the State Council, said here today that China's science, technology and industry for national defense should become more capable of making both military and civil products.

After listening to a report on the national conference on combining military and civil production that closed here this afternoon, the premier pointed out that the defense industry, science and technology had done well in transforming from the production of military items alone to the production of both military items and items for civil use.

He added that experience had shown that the principle of the transformation was correct. Only after the defense industry developed products for civil use could it get better resources for carrying out research and the production of military items.

Li Peng said the defense industry should be well prepared ideologically for the difficulties it was facing in the current period of rectifying the economic order. Most of

it was building machines, many of which in civil use had turned from quick to slow selling goods.

Moreover, he said, the shortage of funds, energy and raw materials would bring even greater difficulties to those enterprises in their development of products for civil use.

The premier said that only if the defense industry adapted its products according to state policies could it have a way out.

He said the industry should both rely on the guidance of state planning and make its own efforts to open more markets by constantly developing new products.

Li Peng said elements of the defense industry should form groups and act collectively to carry out technical renovation and bring the superiority of their better technology and equipment into play.

The premier said it was not enough that one element of the war industry should produce only one type of competitive goods. He urged the enterprises to develop various high-tech products to meet the needs of changeable markets.

On importing and absorbing foreign advanced technologies, Li Peng said it was necessary to bring the power of the defense industry into full play. He ordered departments of planning and foreign trade to check on this and include the industry in state unified planning and programming so as to avoid duplicating imports and manufactures.

Li Peng stressed that it was necessary to strengthen the sense of national defense. He said the possibility of war still existed although the international situation was tending towards detente.

He noted: "The peace we have now is based on the national power of our motherland. We should continue to develop sophisticated weapons, keep abreast of the most advanced technology in the world and maintain a deterrent force."

The one-week national conference was held jointly by the State Planning Commission, the State Science and Technology Commission and the State Commission of Science, Technology and Industry for National Defense.

Ding Henggao, minister in charge of the State Commission of Science, Technology and Industry for National Defense, and other heads of commissions concerned, reported this afternoon to Premier Li Peng on the achievements made in the past decade by the enterprises in combining the development of military products and products for civil use.

Qin Jiwei Stresses Defense Education

*OW1410225089 Beijing XINHUA in English
1433 GMT 14 Oct 89*

[Text] Beijing, October 14 (XINHUA)—China's minister of national defense called for the strengthening of education on national defense here today.

Addressing a meeting to award essays on the modernization of national defense, Qin [Jiwei] said that such education "is extremely important for the defense of the motherland and peace, and staving off aggression."

He went on, "The ultimate goal of national defense modernization is to raise the self-defense capability of the Armed Forces and people as a whole against foreign aggression and subversion, and guarantee the nation's sovereignty, territorial integrity and safety, as well as defend the peaceful labor and happy lives of the citizens."

Talking about the international situation, the minister said that the world situation is moving away from confrontation and toward dialogue. Tension, he noted, is easing and another world war is unlikely in the near future.

"But we must realize that the world is not stable, and there are still many contradictions, conflicts, and unstable factors. Especially, the international forces of reaction have never given up their hostility toward and attempts to subvert the socialist system," he said.

"In China, the struggle of infiltration and counter-infiltration, subversion and counter-subversion, 'peaceful evolution' and 'counter-peaceful evolution' will go on for a long time to come.

"Through education about national defense we will make people understand that it is every citizen's sacred duty to defend the motherland," he said.

According to Qin, such education includes education on socialism, patriotism, and revolutionary heroism, in addition to military theory, history, and science and technology related to national defense.

Qin urged all party and government organizations, as well as trade unions, the youth and women organizations, and science and technology associations at all levels in China to make earnest efforts in this direction.

Military Ties Expand With Other Nations

*OW1610050289 Beijing Domestic Service in Mandarin
2230 GMT 15 Oct 89*

[From the "News and Press Review" program]

[Text] As our country implemented the policies of reform and opening to the outside world, our Armed Forces have increased their contacts with their counterparts in other countries. So far our country has established military relations [junshi lianxi] with more than 80 countries and set up military attache offices in over 60 countries, while 45 countries have accredited military attaches to China.

In their relations with foreign countries, our Armed Forces have conscientiously implemented the party's independent foreign policy of peace. In handling foreign

affairs, they have brought about a situation in which they work actively, effectively, and in a down-to-earth manner.

In the past 10 years our Armed Forces have increased friendly exchanges with more than 50 foreign countries and dispatched over 320 delegations and groups consisting of a total of 3,500 members to visit these countries. During the same period, our Armed Forces have received more than 560 foreign military delegations. In addition, our Armed Forces have sent experts, scholars, and technicians to carry out military academic exchanges with a number of foreign countries.

Navy Conducts Live-Fire Exercises in Shanghai

HK1010021889 Hong Kong WEN WEI PO in Chinese 10 Oct 89 p 1

["Special dispatch" from Shanghai: "Naval Troops Garrisoned in Shanghai Conduct Military Exercises With Live Ammunition"]

[Text] Shanghai, 9 Oct—Naval troops garrisoned in Shanghai conducted military exercises with live ammunition a few days ago in Donghai. According to experts here, the military exercises have proved that China's naval vessels are capable of conducting air defense operations. It has been reported that on the afternoon of 5 September, nine naval vessels of the Donghai Fleet advanced in different formation and dozens of guns opened fire at target drones, filling the blue sky with white smoke. The naval formation stationed in Shanghai was led by Major Liu Jifan, deputy commander of the Navy garrisoned in Shanghai.

PLA Builds Modern Barracks, Defense Facilities

OW1610062089 Beijing Domestic Service in Mandarin 2230 GMT 15 Oct 89

[From the "News and Press Review" program]

[Text] Acting in the spirit of arduous struggle, the People's Liberation Army [PLA] has made tremendous achievements in building barracks.

The PLA has now completed a number of missile-launching bases, airfields with shelters and hangars for aircraft, military docks, hubs of communications, and national-defense positions [guofang zhendi], which are up to world standards. In addition, it has built more than 100 million square meters of barracks, hospitals, and warehouses, forming complete national defense facilities with other projects.

The PLA began to build barracks on a large scale in the 1950's. Since the 3d Plenary Session of the party's 11th Central Committee, such construction has been carried out in a modern and regular way. Large numbers of engineers and technicians have worked hard to design

and carry out construction. Since 1982, six such construction projects have been given the national gold-quality award for design, and seven have been presented the national silver-quality award for engineering.

Beijing Exhibition Showcases New Cannons

HK1110052589 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0730 GMT 6 Oct 89

[Report: "China Develops and Manufactures New Cannons"]

[Text] Beijing, 6 Oct (ZHONGGUO TONGXUN SHE)—A number of new cannons developed and manufactured by China are already on exhibition in Beijing.

The new cannons include mortars, howitzers, rocket guns, and various types of guided missiles, which have a huge antipersonnel force and a long firing range.

In air defense cannons, there are medium- and small-bore and semi-automatic anti-aircraft guns and self-propelled guns. In addition, there are all kinds of air defense missiles.

Chinese artillery troops made their first heavy-calibre howitzer in 1954. Since then, large numbers of mighty, long-range, and highly mechanized cannons have been successfully manufactured.

Automation has also been realized in the shooting command system of the Chinese artillery troops.

Economic & Agricultural

Zheng Tuobin on Foreign Trade Prospects

OW2709040389 Beijing XINHUA Domestic Service in Chinese 1312 GMT 24 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 24 Sep (XINHUA)—According to a report by LIAOWANG weekly, Zheng Tuobin, minister of foreign economic relations and trade, dwelt on China's prospects of developing foreign economic relations and trade in an interview with the journal's reporter on the eve of National Day.

He said: From now on, our country should go all out to develop export so as to increase its foreign exchange earnings and lay a good foundation for all-around development of its foreign economic relations and trade. We should speed up our efforts in adjusting the makeup of our exports by increasing the export of processed products using imported materials and of products processed or assembled with materials provided by buyers. At present, special attention should be paid to two questions: One, the question of quality and the rate of fulfillment of contracts. We should make sure that all contracts are fulfilled on time and our products are of guaranteed quality so as to maintain good credit and make steady progress in developing export. The other

question is that we should step up efforts to improve the environment and rectify the order for foreign trade. Foreign trade companies that fail to meet required qualifications should be closed down or merged with other companies as dictated by the situation so that the number of such companies can be greatly reduced. Contracts signed by those companies that have been closed down or merged with others should be executed rigorously by the qualified companies that take over their operations.

Editorial Highlights Foreign Debt Payments

HK1510073689 Beijing JINGJI RIBAO in Chinese
7 Oct 89 p 1

[Editorial: "China Is Able To Repay Its Foreign Debt"]

[Text] The State Administration of Exchange Control now published the amounts of foreign loans contracted by our country in the past few years. This clarified various conjectures of the international financial circles about China's outstanding foreign debt. Since our country began to adopt the open policy in 1979, the active use of foreign funds and the introduction of advanced technology and equipment have achieved great results in speeding up the development of our national economy. However, according to the lesson from the debt crises in some developing countries and also according to the current foreign debt condition in our country, we still have to pay attention to properly and effectively controlling the size of foreign debt, strengthening the management of foreign debt, ensuring the payment of interest and principal on time, and safeguarding our country's reputation and credit status in the international financial circles. This is an important task in our economic work.

In the past few years, the total amount of foreign debt owed by our country increased quite fast. From 1985 to 1988, the outstanding balance of foreign debt each year was \$15.8 billion, \$21.5 billion, \$30.2 billion, and \$40 billion. There was an average annual increase of 36 percent. A main reason for the rapid increase in foreign debt was the relatively small base figure of foreign debt a few years ago as we did not pursue the open policy for a long time. The statistical and monitoring system for our country's foreign debt showed that our current foreign debt structure remained basically reasonable. Short-term loans accounted for not more than 20 percent of the total amount, and was lower than the limit accepted in the world. The loans included a variety of currencies, thus the risk caused by the fluctuations of exchange rates was not high. The foreign loans were mainly used for developing agriculture, transport, energy, chemical industry, and other infrastructural industries and then for the machine-building, light and textile, electronics industries and for educational and public health undertakings, and this complied with the priority sequence of the state's industrial policy. The foreign debt was composed of diverse loans. That is, there were long-term loans with

favorable terms offered by international financial organizations and foreign governments and also international commercial loans which were contracted flexibly and used conveniently. In addition, China also raised funds through issuing bonds and contracting leases in international finance markets.

Our country has always attached importance to the repayment of foreign debt in order to safeguard the state's good reputation and credit status in the world. Since we began to make use of foreign funds in 1979, our country has always honored the terms for debt repayment. Thus, the good reputation in this regard is acknowledged by all countries in the world, and a good international image has always been kept. This is because first, we have kept a favorable balance of international payment in recent years, thus creating a favorable condition for repaying foreign debts on time. From 1985 to 1988, the total annual income of foreign exchange through trade and non-trade channels was \$29.6 billion, \$30.7 billion, \$40.1 billion, and \$47.4 billion, marking an average annual increase of 16.99 percent. This showed that our country's ability to repay foreign debt was continuously increased. Second, the state's foreign exchange reserve has been increasing, and this has also improved our country's liquidity status in international payment. From 1985 to 1988, the state foreign exchange reserve increased by \$5.8 billion. By the end of 1988, the state foreign exchange reserve amounted to \$17.5 billion, which exceeded the amount needed for 3 months' imports and met the international requirement for a country's exchange reserve. Third, the debt repayment rate and the debt contracting rate of our country were both lower than the standards accepted internationally.

At present, although our country has not encountered debt repayment difficulties, we must still pay serious attention to the lesson from some developing countries which did not contract foreign debt in light of their actual repayment abilities and eventually bogged down in debt crises. When increasing the use of foreign funds, all government departments concerned must seriously follow the state's relevant principles on contracting foreign loans. That is, the total amount of foreign debt must be controlled to a reasonable level; the structure of foreign loans must be kept reasonable and must be commensurate to our country's repayment ability and absorption ability; foreign loans must be used for productive construction and must be used efficiently and properly; interest and principal must be repaid on time so as to safeguard the good reputation in international financial circles. It is necessary to strengthen the management of the three links, namely contracting, using, and repaying foreign loans. The gross size of foreign debt must be controlled within the bearing capacity of the state. All localities and departments must include the management of foreign loans in their routine work schedules, faithfully implement the state plan on using foreign funds, strictly examine the projects that need to contract foreign loans, seriously conduct feasibility

studies concerning the repayment ability and economic results of the planned projects, and guarantee that the loans will be repaid on time.

In the future, we will continue to carry out the general policy of reform and opening up and will continue to actively and prudently make use of foreign funds. We should strictly implement the state's plan for contracting foreign loans, try our best to achieve long-term loans with favorable terms offered by international finance organizations and foreign governments, strengthen the management of contracting international commercial loans, and take positive measures to lower the risks caused by the fluctuations of interest rates and exchange rates. We should further improve the register, statistical, and monitoring system for foreign loans. All foreign loans, no matter whether they are contracted directly or indirectly, should be included in the state's foreign debt statistical and monitoring system for the purpose of trace management. This will ensure the state's effective control over the gross size and general structure of the foreign loans and will ensure that the foreign loans can really play a positive role to the full in the development of the national economy and that the continuing contracting of new loans will be properly coordinated with the smooth repayment of interest and principal of the old loans.

Article Discusses Cooldown of 'Overheated' Market

HK1510064489 Beijing JINGJI RIBAO in Chinese
5 Oct 89 p 1

[Article by staff correspondent Yan Xianpu (0917 0341 3302) and staff reporter Chen Qigan (7115 0796 3227): "How To Look at a Market Which Has Turned Cool From Overheated"]

[Text] The market is a mirror reflecting the national economy.

Last year, "panic purchase sprees" occurred in some local markets of our country. This year, along with the implementation of the policy of improving the economic environment and rectifying the economic order, the markets have turned "cool" from "overheated," and fluctuation has been replaced by stability. Some commodities are not as salable as before. The changes in the market conditions in the last 2 years left two opposite impressions on the people, and the strong contrast also gave people much food for thought.

Retrospect and Comparison

Last year, being affected by the sharp price increases and overheated consumption, the domestic markets experienced fierce fluctuations, and the sale of various consumer goods increased to an abnormal degree. The total volume of retail sales reached 744 billion yuan and increased by 27.8 percent over the previous year, marking the highest annual growth rate since the founding of the People's Republic. From late February to early September 1988, four rounds of panic purchase

sprees appeared in various localities throughout the country. The markets did not cool down until October.

This year, the situation has changed greatly. In the first 8 months, the domestic markets continued to cool down through steady operation. The total volume of retail sales from January to August was 539.86 billion yuan, 14.3 percent higher than that in the same period of last year and 13.1 percentage points lower than that in the last quarter of 1988. If the price increase factor was deducted, the sale volume showed a negative growth. If it is calculated according to the constant prices, this year is the 4th year witnessing a decline in retail sales after 1961, 1962, and 1968. In August, retail sales fell to the lowest point, and the monthly volume of retail sales was merely 63.89 billion yuan, or 0.7 percent lower than the same month of last year. Statistics show the consumer goods markets remained dull for several consecutive months. First, high-class durable consumer goods became unsalable; then, the sale of daily-use industrial goods were also affected. In August, among 28 major commodities, only four commodities, namely fresh eggs, pork, aquatic products, and wines, sold better than the same month of last year, and only one commodity, namely garments, kept the same sale level. The sales of the other 23 commodities all declined. In the summer, shops in most large cities sold more than 1,000 types of goods at lower prices, but this did not achieve marked results in raising the volume of retail sales. As compared with the situation last year, the market conditions have changed to an astonishing degree, and this has also called for deep thought.

Analysis and Thought

According to the analysis of some experts, the cooling down of the domestic markets can be attributed to the following factors:

—The policy of improving the economic environment and rectifying the economic order has created a more favorable market environment in the field of circulation. This year, initial results have been achieved in the screening and reorganization of companies. In the first half of this year, 37,000 companies in the whole country were closed down, merged, or reorganized, accounting for 13 percent of the total number. This played an important role in checking the irregular practice of speculation, raising prices, and fraud. At the same time, the banks raised the savings interest rates, offered value-preserving interest, and adopted other means for raising funds. All this succeeded in absorbing large amounts of idle funds in society. By the end of August, the total balance of savings kept by urban and rural residents reached 471.2 billion yuan, or increased by 91.1 billion yuan as compared with the beginning of this year. Such increase was not seen in recent years. Money supply was thus effectively tightened, and the pressure on the markets was mitigated. At the same time, the financial and credit retrenchment also effectively curbed the increase in demand. This year, the price growth rate decreased every

month. In particular, the prices of foodstuffs were kept stable, and this played a role in stabilizing people's consumption psychology. The contention for consumer goods between institutions and residents was also brought under control.

—Last year's panic purchase sprees had an impact on this year's market condition. Last year, as residents bought too many consumer goods and greatly increased their possession of high-class durable consumer goods and ordinary daily-use goods. They cannot continue to keep a high purchase power this year and in the next few years. The panic purchase sprees also raised the volume of retail sales to too high a level, thus affecting this year's growth rate.

—The prices of commodities rose to too high a level, and this restrained people's consumption. Last year, as prices were rising again and again, the prices of many commodities rose to a level beyond the bearing capacity of the consumers. This was obviously reflected in the sales of household electric appliances, garments, aluminium and plastic products, stainless steel wares, and furniture. Consumers did not want to buy these goods when they saw the high prices. The prices of brandname cigarettes and wines were completely decontrolled in July last year, and color television sets were sold by licensed companies. The prices of these goods then rose too sharply, and also affected residents' consumption.

Proposals and Countermeasures

The sharp contrast of the domestic market conditions in the last 2 years brought about many issues that called for deep thought. The experts thus put forward the following proposals for coping with these issues:

—It is necessary give correct guidance to residents' consumption. From 1979 to 1988, the consumption level of residents in our country increased by an average of 13.7 percent each year, while the per capita national income increased only by 12.9 percent in the same period. The growth rate of consumption exceeded the growth rate of the national income. In these circumstances, it is necessary to give correct guidance to people's consumption, thus rationalizing their consumption structure. This is an issue that has been neglected for a long time. At the same time, it is also necessary to expand the scope of consumption and especially to expand the non-commodity markets for consumption so that the purchase power can be scattered and the impact of the consumption demand can be blunted. At present, the commercial department should continue to ensure the supply of daily necessities for the people and to maintain the stability of the overall market situation. At the same time, the sales of ordinary commodities should be increased. In particular, more industrial goods should be marketed in the countryside. The supply of goods in the brisk season in the countryside should be guaranteed. The departments concerned should take measures to

develop tourism and various service and catering industries. Efforts should be made to guide private manufacturers and businessmen to change their consumption funds into productive funds. The work of collecting and managing individual adjustment taxes should be strengthened so as to increase residents' non-commodity expenditure.

—It is necessary to increase the production of marketable products. Market supply is mainly contingent on the increase in the effective supply of agricultural and sideline products and industrial goods. Last year, the panic purchase sprees gave a misleading message to industrial enterprises, and prompted some industrial enterprises to increase the production of some over-supplied goods. This caused serious stockpile of goods. In the first 7 months of this year, the sales of household refrigerators, television sets, electric fans declined by 11 percent, 18 percent, and 19 percent as compared with the same period of last year; while the output of these goods increased by 30 percent, 26 percent, and 24 percent respectively. Therefore, it is necessary to change the production structure in order to change the dull market condition. This is an urgent issue to be solved at present. As some industrial and commercial enterprises are now short of working funds, some economic experts suggested that the state should allocate a certain amount of "starting" funds so that the commercial institutions can purchase marketable goods and industrial enterprises can maintain normal operation, thus maintaining a healthy and benign cycle of production and marketing.

—It is necessary to continue to stabilize the prices in order to create a favorable environment for the market's stable development. Without the special approval of the State Council, no price adjustment can be made by any institution. The chain effect of price increases must be checked. Price increases in any disguised forms must be severely penalized. Efforts should also be made to minimize the residual influence of price increases in previous years. Through measures for rectifying the order in the circulation field and for reducing intermediate links in commodity circulation, commodity prices that seriously deviate from the commodity value should be lowered so that the sales of the goods can be increased with a smaller profit margin. This will mitigate the fund shortage and will help enliven circulation.

Article Encourages Economic Restructuring

OW0710041389 Beijing GUANGMING RIBAO
in Chinese 9 Sep 89 p 3

[Article by Wang Ziliang (3769 1311 5328): "We Must Adhere to the Socialist Course While Restructuring the Economic System"]

[Text] The socialist economic system is a system with public ownership as its core. If this system were abolished and disintegrated, the entire socialist mansion

would collapse. Thus, while restructuring the economic system, we must make sure that economic activities in all economic sectors proceed on the basis of socialist principles, and that we must take into account the nature of the initial stage of socialism, because only then can the inherent characteristics of the socialist economic system be fully manifested. I

This principle guiding the restructuring of our economic system must be clearly understood: The restructuring must proceed on the premise of upholding the socialist economic system with the objective of consolidating, perfecting, and developing it. As far as the ownership of the means of production is concerned, we must uphold the principle of "making the public-owned economy the mainstay and supplementing it with other economic ingredients." If our belief in this principle had been shaken, or if we had deviated from this principle, then the most fundamental economic foundation of the initial stage of socialism in China would have been undermined.

The fact that public ownership is the innermost core of the socialist economic system is one of the most basic features of a socialist society. Thus, while restructuring the ownership of the means of production, we must uphold firmly the system under which the public-owned economy plays the dominant role—especially the dominant role played by the state-owned economy—and make all-out efforts, including using the "inclination policy" [qing xie zheng ce 0282 2438 2398 4595], to consolidate and develop the large, mainstay state-owned and collectively owned enterprises. Thus, we are going to reform those aspects within the system of public ownership that are incompatible with the development of productive forces. We by no means should permit any attempt to shake and abolish the dominant role played by public-owned economy in the name of "reform."

In terms of the guiding thought for restructuring the system of public ownership, however, the proponents of bourgeois liberalization are diametrically opposed to us. These people totally write off the public-owned economy, especially the state-owned economy which is the mainstay and the core of the public-owned economy, and advocate total privatization. They maintain the public ownership itself is the cause of economic crisis, corrupt bureaucracy, and the plundering of state property. They say that, in view of the many defects of the system of public ownership, this system has reached the point where it should be written off completely and not simply reformed. Based on this concept, their target of "reform" is to replace public ownership by means of privatization.

To achieve their goal, these people, while making great efforts to foster and promote the "economic patterns" of private ownership and claiming that "the private economy is the main force in developing productive forces," and that privately owned economy should be permitted to develop without any control, they go all out to promote the "separation of two rights" [the right to own and the right to operate] which is an immature

system both in theory and in practice, and try to get rid of the public-owned economy through "reform." While the "separation of two rights" is quite essential for enlivening the economy, we must control, based on the need to uphold the socialist economic system, strictly and scientifically the extent of the separation of these two rights. If we fail to do this, the public-owned economy may be weakened or even totally written off by the "separation of the two rights."

Some people maintain that, instead of being entangled in the discussion on separating the right to own and the right to operate, the state should once and for all change ownership and let individual persons own state property. These people even claim that if the Chinese Government dares to be decisive and make all-out efforts to do this, China will have a completely new outlook. No people with a modicum of socialist consciousness can tolerate such naked capitalist outcries!

The abovementioned proposals made by the proponents of bourgeois liberalization remind us that, on the issue of restructuring the system of ownership, we must by no means retreat a single step from the stand stressing that "public ownership assumes the dominating role," because otherwise we will lose the ground on which the socialist economic system establishes its footing.

II

The system and form of distribution of social products is another major issue concerning the restructuring of the economic system. Experiences gained from socialist practices show that, under the situation where the means of production are publicly owned, the laboring masses are far more interested in the distribution system and form than in ownership because distribution is more directly associated than ownership with their vital interests. This being the case, all types of social problems, social frictions, social conflicts, and even social upheavals during the socialist period are more often than not caused by unfair distribution.

To achieve socialist equality, we must, while restructuring the distribution system and form, firmly adhere to the principle that "distribution according to work should play the dominating role and be supplemented by other forms of distribution." Generally speaking, this means that we must assess remunerations according to the amount of work done. In other words, those who work more should get more, those who work less should get less, and those who do not work should get nothing; and that the remuneration for difficult jobs should be greater than the those for simple jobs. Meanwhile, while there are still various economic sectors in our country, we should allow the practice whereby distribution is not made according to work under certain conditions. However, all forms of distribution which are not made in accordance with work should be controlled by law; in another words, they should be "lawful operations."

The socialist principle for fairness is based on the premise of acknowledging differences. Thus, we should

permit some areas and some people to become prosperous first. However, this is not the objective of socialism and should not be considered as a basic socialist principle. Coprosperity is the real socialist principle for fairness. What should be pointed out is that the policy of "letting some people become prosperous ahead of others" is conditional—it is based on "lawful operation and hard work." We must not permit people to become prosperous through illegal means and allow the people to become polarized. To avoid polarization, the system of distribution according to work must be implemented strictly and earnestly. Thus, what we should get rid of during the course of reforming the distribution system and forms are egalitarian defects, and not the socialist principles for equality. We also absolutely must not permit the principle of distribution according to work to be abolished. Some people maintain that distribution should be made according to capital shares and that greater differences should be encouraged so that people can become millionaires. Such proposals totally violate the principle of distribution according to work.

Owing to erroneous economic policies in recent years, serious inequalities have appeared in the sphere of distribution in China. Excessive differences between the rich and the poor are not a possible danger, but a growing reality. While government profiteers and smugglers can become millionaires, the vast number of honest workers, peasants, cadres, and intellectuals still have to labor all day for food and clothing. How can there be socialist equality to speak off if such a situation is allowed to go on unchecked?

The principle of distribution according to work should be broached in a scientific manner. It should be assessed and supervised by scientific means. All empty slogans and emotional measures are of no avail. We must start devising a comprehensive system under which the quantity and quality of labor can be measured, and the amount of labor in different industries, jobs, and work posts must be assessed, scientifically. If we do not have such basic measures, then distribution according to work is nothing but an empty phrase, or just a good subjective wish at the most.

III

An important part of China's economic reform deals with reforming the mechanisms that control economic operation. It also is one of the "hot" topics in the polemics between Marxists and non-Marxists. In order to provide a correct answer to the argument, we must respect the basic principles already expounded by the authors of Marxist classics and respect the reality that China is at the initial stage of socialism.

The socialist economic system is an anthesis of the capitalist economic system. While private ownership, distribution according to capital shares, and market economy are the basic features of the capitalist economic system, public ownership, distribution according to work, and planned economy are the basic features of the

socialist economic system. This has been emphasized repeatedly by all authors of Marxist classics. We must acknowledge this principle in order to uphold socialism.

The issue is that because China is now at the initial stage of socialism, there are still all kinds of economic activities having nothing to do with public ownership, as well as all forms of operation under the system of public ownership. Under such circumstances, we obviously should not eliminate completely commodity circulation and market mechanisms. Thus, while we should acknowledge that China's socialist economy is on the whole a planned economy on the one hand, we should not ignore the important role played by market regulation on the other. In order to combine these two, we must be good at integrating the general principles of Marxism with the actual situation in China.

We committed the mistake of being dogmatic for a very long time in the past. We unilaterally underscored planned regulation and totally ignored the positive role played by market regulation. Consequently, we put too many things under a too rigid control, our plans were often unrealistic, and our production of the people's daily necessities was simple and not diversified. Such a policy hindered the country's economic prosperity and the development of productive forces. Our party has earnestly summed up this experience and has studied a variety of ways to reform the mechanisms governing economic operation.

Some people, however, maintain that China's current policy of combining planned economy and market regulation is a "semi-market economy" which they say can in no way be successful. They say that China should have a "full-fledged market economy," or "give full play to market functions." This means three things: First of all, plans must be dropped so that all economic activities can be dominated by unguided market functions. Second, public-owned economies should be privatized so that property rights can be clearly divided, decentralized, and transferred freely. Third, the accumulation and concentration of social wealth should be expedited so that some people can become prosperous quickly even though this will polarize the people. Apparently, the proposal of "giving full play to market functions" is essentially a proposal to install capitalism in all spheres.

The attempt in China to "give full play to market functions" will lead us nowhere. Should this proposal be accepted, then even narcotics and souls [ling hun 7227 7609] would become popular commodities, ruthless capitalist competitions would recur, our economy would become chaotic, our minds would be polluted, and our socialist ideals would never be achieved.

Article Considers Roots of Economic Problems

OW110061489 Beijing GUANGMING RIBAO
in Chinese 23 Sep 89 p 3

[Article by Chen Dongsheng (7115 2767 3932) and Chen Yao (7115 5069): "The Root Causes of Interregional Economic Disorders and Their Control"]

[Text] Ever since the country adopted the reform and open policy, the economic vitality and organizational capabilities have become noticeably stronger in various regions, creating a vibrant and booming regional economy. Along with the boom, however, are serious economic disorders between regions. Such economic disorders can be observed in unclear division of work between regions, redundant construction projects, sporadic geographical layout, and production structure "becoming increasingly identical" [qu tong hua 6395 0681 0553], in the sharpening of trade friction between regions, in rife local protectionism, in the contortion of regional interests, and in the broadening of economic differences.

How are we going to understand these many problems which have cropped up during the course of regional economic development? One relatively prevailing view is that which attributes all these problems to the fact that, because of the decentralization of financial power, regions now have their share of financial power and have the capacity for "comprehensive contracts." In our view, the root cause of interregional economic disorder lies in the defects of macroscopic management, and not in the decentralization of financial power among the regions. Such defects include the lack of coordination between the macroscopic management measures and the decentralization of power, as well as the improprieties of certain measures. Thus, the efforts to deal with the disorder should be directed mainly at improving the existing macroscopic regulatory measures, or devising new ones.

First, we should set limits for the powers wielded by local government, beginning with administrative power. After the decentralization of financial power, local government has had greater financial authority, but the lack of clearly defined regulations governing administrative power has given rise to "ineffective control" or "lack of control" over the conduct of local government. Therefore, the most fundamental requirement is to draw up strict budgetary regulations, so that the authority of governments at various levels can be codified in accordance with the principle of the unity of financial and administrative power. While the nation is not yet prepared for the implementation of a tax-sharing system in the near future, we should further improve the system under which budgetary controls can be imposed on local contracts. While we should make efforts to eliminate the side effects generated by contracts, our efforts can be effective only when they can gradually incapacitate local governments from becoming the dominant investors; devise comprehensive criteria for assessing the administrative performance of local governments, so that their lopsided pursuit of output value can be stopped; and enhance enterprise reform, so that the administrative ties between local governments and enterprises can be genuinely separated.

Second, attention should be directed to achieving a harmony of interests between regions, to bring about a relatively equal and steady economic development in all

regions. Today, when market functions are strengthening and planning mechanisms weakening, the policies adopted under the old system—those of supporting the development of the processing provinces at the expense of the interests of the provinces supplying the resources, and that which is biased against profitable regions—should be reexamined. The new thinking should be compatible with the development of the planned commodity economy, and should aim at readjusting the central authorities' current regional policies through cultivating various regions' self-developing capacity. First, the central government should reduce its direct investment in the developed, coastal provinces and cities; it should rather use financial and taxation leverage to encourage these regions to tap their potential for growth. Second, provinces and regions supplying the resources should have a greater share in their resources, to make up financial losses incurred through the purchase of their resources at state-set prices. Third, the central government should intensify supervision over the use of its financial aid to impoverished and underdeveloped areas. Fourth, regions should form a common market to safeguard their legitimate rights and interests through regional cooperation.

Third, we should readjust, and correct, certain existing policies and measures contravening the reform policy. Two relatively controversial issues are: Authorizing large cities to devise independent economic development plans, and giving preferential treatment to sizable coastal regions. The policy of authorizing large cities to be independent from state plans, not only broadens the spheres in which the central government can exercise direct control, but also artificially creates economic friction between these "new regions" and the original "regions" under the jurisdiction of the local government. While it is beyond reproach to support the establishment of reform experimental zones and the development of high-technology industries along the coastal areas through giving them preferential treatment in terms of taxes, credits, and the use of foreign exchange, the preferential policies, which cover sizable "special zones, open cities, and developmental districts" in the country, have created a situation where interior provinces and regions, which are not recipients of preferential treatment, cannot compete with coastal areas on an equal footing; and this has widened the economic gap between the coastal areas and interior China. Furthermore, some regions, taking advantage of the preferential policies, are able to pay high prices to buy up interior China's raw materials in short supply and then dump the finished goods on the world market at low prices, causing great losses to the state. The practical remedial measures are these: 1) creating no more cities with independent economic plans, and gradually phasing out the experimental plans in this regard; and 2) directing the current preferential policies to certain types of production, instead of regions, so that the high-technology industries and export-orientated production can continue to enjoy preferential treatment.

Fourth, we should improve the regulations governing interregional economic activities. Today many enterprises feel that there are no regulations to protect interregional economic exchange, saying that provinces, cities, counties, and townships can now blockade their market whenever they want, and that enterprises in various localities can also casually violate, and even tear up, the contracts. This being the case, a "law against blockade" should be drawn up to sanction imposition of barriers, a "law governing the protection of domestic investment" to protect the interests of transregional investors; and other rules and regulations should also be drawn up to encourage the lateral flow of proficient personnel, technology, capital, and other ingredients essential for production. Furthermore, governments at various levels should lawfully and justly audit and supervise enterprises to see how they sign and fulfill contracts during interregional economic and technical exchange.

Daqing Oilfield Explores for New Reserves

HK2709030689 Beijing CHINA DAILY in English
27 Sep 89 p 2

[By staff reporter Xu Yuanchao]

[Text] Daqing—China's largest oilfield, at Daqing in Heilongjiang Province, is accelerating exploration for more oil reserves in the vast, surrounding grasslands in the hope of maintaining its leading position in oil production into the next decade.

The 30-day-old oilfield has kept its annual output at at least 50 million tons for the past 14 years and should be able to maintain its output at this level till 1995 despite a recent decline, said Tang Zengxiong, the oilfield's chief geologist.

He told CHINA DAILY yesterday [26 September] that prospecting teams have been working on the outer edges of the original oilfield and in its neighboring grasslands. The Daqing Petroleum Administration hopes to map out 40 million tons of new reserves every year in the next five years to compensate for falling output in the older fields.

He said that since 1979, but mostly since 1985, prospecting teams have discovered a total of 500 million tons of new oil reserves in a 2,000-square-kilometre area east of the old oilfield. The new reserves found over the past 30 years represent a 84.6 percent increase over the original oil reserves of the 1960s.

Not counting seven oilfields in the Changyuan area, 17 other fields have been found in outer areas with a total proven oil reserves of 416 million tons and natural gas reserves of 15 billion cubic metres.

The total output from the oilfields in the outer areas reached 1.72 million tons last year.

Although Daqing has kept its annual crude oil production at above 50 million tons for 14 years, whether it can maintain the stable yield through the end of the century is still uncertain.

Daqing is now one of the world's 10 oilfields that have turned out at least 1 billion tons of oil. But its crude oil production for this year is expected to drop by 150,000 tons from 55.7 million last year.

Tang said production of an oilfield such as Daqing that has already peaked cannot avoid declining after maintaining a stable output for several years.

As its growth rate slows down, Daqing is facing other new problems, which have caused the oilfield—whose annual output accounts for 40 percent of the country's total—to lose money.

At current production levels, he said, Daqing could lose around 600 million yuan (\$162 million) this year.

The situation is well-known to senior government officials, another official said. But it probably won't be changed, because any increase in oil prices is likely to raise prices in other sectors of the economy.

Daqing Oilfield Celebrates 30th Anniversary

OW2709003889 Beijing XINHUA in English
1437 GMT 26 Sep 89

[Text] Daqing, September 26 (XINHUA)—Daqing, China's largest oilfield, celebrated its 30th anniversary here today.

In a congratulatory telegram to Daqing, the State Council, the highest governing body of China, praised the oilfield's "decisive contribution to China's entrance into the ranks of the world's major oil producers."

"Over the past 30 years, Daqing Oilfield has earned more than 770 billion yuan for the central government by producing 7.3 billion bbl of oil, an important contribution to the nation's economic development," the message continues.

The huge oilfield was found in 1959, surprising the whole world, for many foreign experts had claimed that China was a country with few oil resources.

Daqing, covering 5,500 square kilometers and having a population of 900,000, now has almost 20,000 oil wells and water injection wells.

Fourteen natural gas fields of various sizes have been discovered in and around the center of the oil city, gradually forming a large production base specializing in the production of oil, natural gas and petrochemical products.

Daqing has been producing 365 million bbl of oil annually for 13 consecutive years, accounting for about half of the country's annual total.

By September 27, the Daqing Oilfield will have turned out 73 billion bbl of oil and 14.6 billion cubic meters of natural gas.

The middle-aged oilfield is entering the stage of complete high-water-bearing recovery and the efficiency of extraction is dropping year by year.

Daqing will try to maintain the present annual output to the end of this century, said Wang Zhiwu, director of the Daqing Oil Administration.

Baoshan Steel Ingots Save \$2 Billion for State

*OW2709091189 Beijing XINHUA in English
1550 GMT 26 Sep 89*

[Text] Shanghai, September 26 (XINHUA)—Shanghai's Baoshan Iron and Steel Company is playing an unique role in China's modernization program.

The No 1 blast furnace in the company was ignited on September 15, 1985. Steel mills, blooming mills and other major facilities successfully went into production in the following 144 hours.

In both 1987 and 1988, the output of iron, steel and steel ingots surpassed the design capacity of three million, 3.12 million and 2.76 million tons respectively.

By the end of July this year, the company had turned out 11.42 million tons of iron, 11.76 million tons of steel and 10.28 million tons of steel ingots, and generated 30.5 billion kwh of power. The company has also handed over taxes and profits of over one billion yuan to the state.

Except for a small amount of seamless pipe, the company mainly produces steel ingots for rolling mills in other parts of China. The steel ingots, which have replaced imports, have saved over two billion U.S. dollars for the state, nearly equalling the foreign exchange investment in the first phase of the project.

In the past four years the company has also achieved great progress in technology. Scientists and technicians have developed 117 new techniques for rational use of resources, saving energy and developing new products. The new techniques have upgraded the technological level to that of the 1980s.

Moreover, the company has disseminated 438 items of advanced technology to other iron and steel mills in China in recent years.

The second-phase project of the iron and steel complex is now under construction, with about 65 percent of its facilities made in China. The cold and hot rolling mills in the second phase will produce high-quality thin and wide steel sheets which will be used in manufacturing cars and domestic appliances.

Large, Medium Enterprises Boost Energy Production

*OW2709121489 Beijing XINHUA Domestic Service
in Chinese 1313 GMT 24 Sep 89*

[By reporter Zhang Chaowen (1728 6389 2429); "Local Broadcast News Service"]

[Text] Beijing, 24 Sep (XINHUA)—In the past 40 years, it has been demonstrated in practice that prosperity of large and medium-sized enterprises brings about economic prosperity of the country. The more than 10,000 large and medium-sized industrial enterprises in China have provided a constant supply of energy, raw and semifinished materials, light and textile products, and technology and equipment. They have played a decisive role in promoting China's economic and social development and ensuring social stability.

Large and medium-sized enterprises are the mainstay of energy production. According to the State Statistical Bureau, China boasted 250 large and medium-sized enterprises in the energy industry in 1988. In 4 years, these enterprises supplied 9 billion metric tons of coal; 1.7 billion metric tons of crude oil; more than 1 billion metric tons of gasoline, kerosene, diesel, and other refined oil products; and 4.876 trillion kwh of electricity.

Large and medium-sized enterprises are the main props in the production of raw and semifinished materials. Since the founding of the PRC, 60 percent of the raw and semifinished materials have been provided by large and medium-sized enterprises. The annual output value and revenue from sales of the 12 iron and steel companies, represented by the Anshan Iron and Steel Co., the Wuhan Iron and Steel Co., and the Shoudu Iron and Steel Co., as well as the 9 petrochemical companies and chemical industry companies, represented by the Beijing Yanshan Petrochemical Co., the Shanghai Petrochemical Co., and the Daqing Petrochemical Co., all exceeded 1 billion yuan.

Large and medium-sized enterprises are also important producers of daily necessities for people's lives. In 40 years, China manufactured more than 320 billion meters of cloth, 45 percent of which were produced by large and medium-sized enterprises. Large and medium-sized enterprises also supplied 65 percent of China's tap water; 70 percent of table salt; 66 percent of bicycles, sewing machines, and timepieces; more than 60 percent of washing machines, refrigerators, and electric fans; and more than 70 percent of tv sets, radios, and tape recorders.

New Products Development Plan Formulated

*OW2709114389 Beijing XINHUA Domestic Service
in Chinese 1308 GMT 19 Sep 89*

[“Local Broadcast News Service”]

[Text] Beijing, 19 Sep (XINHUA)—The state-assigned major new products development plan for fiscal year 1989 has been formulated. It calls for development of

2,395 new products. It is estimated that 3 years from now production of the planned new products will reach a total output value of 50.9 billion yuan and yield profits of 8.1 billion yuan.

According to the comrades concerned of the State Planning Commission, of the planned 2,395 new products, 94 percent are means of production and 6 percent consumer goods; and 40 percent of them will be of international technological level and the rest will be of advanced domestic technological level.

Official Explains Decrease in Subsidy Rates

OW2609132789 Beijing XINHUA in English
0827 GMT 26 Sep 89

[Text] Beijing, September 26 (XINHUA)—The People's Bank of China recently announced a decrease in the subsidy rate for renminbi deposits.

The subsidy for deposits in the fourth quarter of 1989 is 8.36 percent which is 5.28 percent lower than the third quarter this year, according to today's "PEOPLE'S DAILY."

In explaining the reason for the decrease in the subsidy rate, Yu Naidong, director of the Comprehensive Planning Department of the People's Bank of China, said the decrease proves that prices are dropping and the policy of improving the economic environment and rectifying economic order has achieved results.

Yu said the bank started offering subsidies for deposits in order to protect clients from interest rate losses caused by rising prices and attract more saving deposits. So the subsidy rate will be determined according to the general price index. If the price index is below the annual interest rate of three-year deposits, bank subsidies will gradually vanish.

The subsidies, started last year, have helped increase renminbi deposits. In the first eight months this year, savings and deposits in urban and rural areas increased by 91.15 billion yuan, two times that of the same period last year.

Yu said the People's Bank of China and the State Statistical Bureau would work in cooperation to make the rate more reasonable according to the rate of increase and decrease in the general price index.

Article Views Socialism, Agricultural Development

HK1310041589 Beijing RENMIN RIBAO in Chinese
29 Sep 89 p 6

[Article by Lu Xueyi (7129 1331 5669): "The Socialist Road and Agricultural Development in China"]

[Text] In the 40 years since the founding of the PRC, surprising achievements have been reached in the development of our agriculture. A fundamental experience is that the Chinese Communist Party has led the masses of

peasants in advancing along the socialist road with Chinese characteristics, creating a vast scope for rural prosperity and development.

The Miracle of the East—800 Million Peasants Become Adequately Fed and Clad, an Economy of Self-Sufficiency Is Transformed Into a Commodity Economy

In the past 40 years, the development of our rural economy has been marked by the following several stages of development.

1. From 1949 to 1958, our rural economy developed vigorously. Agricultural production rose for nine consecutive years. Peasants' incomes rose substantially. Their life showed a general improvement.

2. From 1959 to 1966, rural economic development followed a tortuous road. In the latter half of 1958, due to the start of the Great Leap Forward movement, the establishment of the people's communes on a large scale, and the negation of commodity production and the negation of the principle of distribution according to work, the interests of the masses of peasants were impaired. The peasants' enthusiasm for production was dampened. This, coupled with natural disasters, resulted in three consecutive years of greatly reduced agricultural production and three consecutive years of economic difficulties throughout the country. In 1962, the state put forward the guideline of readjustment, consolidation, filling out, and raising standards. By 1966, agricultural production in most of the country's areas had achieved or surpassed the 1957 level.

3. From 1967 to 1976, the turmoil of the Cultural Revolution affected the countryside. The policy of more plots for private use, more free markets, more enterprises with sole responsibility for their own profit or loss, and fixing output quotas on a household basis was vigorously criticized. A transition through poverty and the elimination of the vestiges of capitalist thinking were promoted. Private plots were seized. Restrictions were placed on household sideline occupations. The rural trade market was closed. The rural economy and agricultural production hovered around the same level.

4. From 1978 onwards, the countryside has carried out reforms and achieved tremendous progress in agriculture. The 3d Plenary Session of the 11th CPC Central Committee worked out the "Resolution on Accelerating the Development of Agriculture (Draft)," put forward 25 policies for rural reform and development, readjusted worker-peasant relations, increased investment in agriculture, raised the purchase prices for agricultural and sideline products, introduced the household responsibility system of linking output to remuneration in the countryside, reformed the pattern of operation and management represented by the collective economy, and introduced a series of other measures conducive to the quickened development of the rural economy. This greatly aroused the production enthusiasm of the 800 million peasants and stimulated the overall development

of rural production and the rural economy. Our countryside underwent historical changes. In 1984, grain output rose to 407.3 billion kilograms, a 44 percent increase over the 1977 level of 282.7 billion kilograms, with an average annual increase of 5.4 percent. The per mu cotton output rose from 40.98 million dan to 125.16 million dan, with a 205 percent increase, or an average annual increase of 17.3 percent. Total agricultural output value rose from 125.3 billion yuan to 321.4 billion yuan, with an increase of 69 percent after adjustment for the price factor, or an average annual increase of 7.8 percent.

In 1985, the CPC Central Committee clearly put forward the guideline of readjusting the rural industrial mix and actively developing a diversified economy. Thereafter, rural town and township enterprises developed more quickly in various areas. In 1987, total output value of town and township enterprises exceeded total agricultural output value to form an important rural economic pillar. The emergence of town and township enterprises provided an outlet for surplus rural labor, stimulating the development of the rural commodity economy. But due to the urban and rural economies being oriented toward industry and due to certain erroneous measures, agriculture again lapsed into a state of hovering around at the same level, after a cotton production decrease in 1985.

In the past 40 years, our rural development has followed a relatively tortuous road. But under the leadership of the party and the people's government and by relying on the superiority of the socialist system and on the hard struggle of the masses of rural cadres and hundreds of millions of peasants, our agriculture has still made tremendous achievements. These have aroused world attention.

1. Peasants of Old China were subjected to oppression and exploitation and were in a scattered and disorganized state. Through the land reform, peasants were enabled to become masters of the land. Also through the cooperatives, a collective economy was organized, enabling them to step onto the socialist road. After 1978, the contract responsibility system was introduced. A good pattern for realizing agricultural specialization, commercialization, and modernization under socialist conditions—a pattern compatible with the national conditions of China—was created.

2. The agriculture of Old China was traditional agriculture, characterized by backward tools and manual labor. After the founding of New China, we, simultaneously with the carrying out of rural social reforms, subjected agriculture to a technical transformation, built irrigation facilities on a large scale, proceeded with farmland capital construction, established a relatively complete variety of industries to serve agriculture, developed agricultural science and technology, introduced the teaching of agricultural science and technology throughout the country, and studied the popularization of systems, enabling traditional agriculture to take a big step forward in the process of being transformed into

modern agriculture. By 1988, the country had 870,000 large and medium-sized tractors and 5.95 million small-sized and hand-operated tractors, with total farm machinery power reaching 265 million horsepower. The tractor-operated land accounted for 42.5 percent of the total cultivable area. The effectively irrigated area represented 46.1 percent of the total cultivable area. For every mu of cultivated land, there was a consumption of 49.3 units of electricity. The level of agricultural modernization was greatly raised.

3. The rural industrial mix of Old China was a natural economy of self-sufficiency and semi-self-sufficiency. The commodity rate of agricultural products in 1952 was only 30.5 percent. By 1978, it had been raised to only 39 percent. After the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee clearly called for readjusting the rural product mix and developing a diversified economy. The countryside now shows overall development involving agriculture, forestry, animal breeding, sideline occupations, and fisheries. There is also vigorous development in industry, construction industry, transportation, and commerce. There is now a thriving economy. In 1988, the commodity rate of agricultural products reached 51.1 percent. The commodity rate of industrial and agricultural products in the countryside was 68.8 percent. The whole rural economy is being transformed from a natural economy toward the direction of a planned commodity economy.

4. The stimulation of the reform in production and technical transformation in rural relations gave a push to the overall development of our agricultural production and rural economy. In 1988, the country's total agricultural output value was 586.5 billion yuan. Based on comparable prices, this was 5.1 times as much as that in 1949, with an average annual increase of 4.8 percent. The planting industry thereof showed an increase of 350 percent, forestry an increase of 2,700 percent, animal husbandry an increase of 780 percent, and fishery an increase of 7,700 percent. From 1950 to 1984, the whole world's total grain output rose 167 percent, with an average annual increase of 2.93 percent. In the same period, our total grain output rose 208 percent, with an average increase of 3.37 percent. In 1950, our country's total grain output accounted for 16.6 percent of the world's total grain output. In 1984, it was 21.6 percent. Our country's cultivable area accounts for only 7 percent of the world's total cultivable area. But this has enabled us to solve the problem of food for 22 percent of the world's population. This is a remarkable achievement in China's agriculture.

5. Most of the peasants in Old China lived in poverty, with "bran and vegetables to live on for half of the year." With the development of the rural economy, peasants have generally improved their living standard. In 1988, the per capita income of peasants throughout the country reached 545 yuan. Most of the peasants had solved the problem of getting adequately clad and fed. About 40 percent of the peasants were no longer impoverished and

had a standard of living well above that of merely being adequately clad and fed. Around 10 percent of the peasants had become rich first, had an average annual income of more than 1,000 yuan, and were leading the life of the relatively well-off.

6. In the past 40 years, peasants have made a tremendous contribution to the state's socialist construction. In the 36 years from 1952 to 1988, the peasants sold to the state a combined total of 2,152.6 billion kilograms of grain, with an average annual quantity of 59.8 billion kilograms; a combined total of 1.6124 billion dan of cotton, with an annual quantity of 43.58 million dan; and a combined total of 1.1964 billion dan of vegetable oil, with an average annual quantity of 32.34 million dan. They also sold many other agricultural and sideline products, basically guaranteeing the needs of national economic development and of the people of the whole country.

The 40 years in China's countryside are ones of our party reforming and perfecting the rural relations of productions on the basis of the universal truth of Marxism and stimulating the development of rural productive forces, and ones of our party leading hundreds of millions of peasants in persistently following the socialist road and bringing about continuous perfection and development.

The Dawn of Reform—The Discovery of an Agricultural Socialist Road Compatible With the National Conditions of China

In the past 40 years, our country has mainly carried out three major reforms of far-reaching significance in the development and perfection of our rural relations of production.

The first was the land reform. After the founding of the PRC, we acted according to the land reform law, arousing the masses in a large number of newly liberated areas, confiscating landlords' land, distributing it gratis to peasants who owned no land or little land, abolishing the land system of feudal exploitation, and realizing the land system of individual ownership by peasants. Experience shows that this great land reform movement was a success, stimulating agricultural production and social stability and development and providing ideological preparations for the establishment of agricultural cooperatives.

The second reform was the cooperative transformation of agriculture. Our agricultural cooperation movement proceeded, step by step, in line with our national conditions, given the Marxist theory of cooperation. This was compatible with the demands of the development of productive forces. The direction was correct. The countryside practiced the system of public ownership of the basic means of production, enabling hundreds of millions of peasants to embark on the socialist road. On the basis of public ownership, capital construction work on farmland irrigation facilities was carried out on an unprecedented scale. Great headway was made in scientific farming and agricultural modernization. By 1978,

about 100 billion yuan in public wealth had been accumulated. Agricultural productivity had been greatly increased. What was especially important was that 800 million peasants had gained the experience of a cooperative economy, and a large number of cadres and technical personnel with management skills had been cultivated, providing material and spiritual conditions for further subsequent reforms. The historical role of the agricultural cooperation movement in the 1950's should be fully affirmed, as far as the whole situation is concerned. But in the process of agricultural cooperation, the summer of 1955 was followed by a period of too urgent demands, too poor quality of work, too rapid changes, and too simple and unified patterns. Advanced cooperatives, or the subsequent "cooperatives with ownership at three levels based on the team," introduced the system of operation and management involving excessive concentration. They did not fit in well with China's agricultural features. This offset, to a substantial degree, the state's tremendous investment in agriculture and the hard work put in by hundreds of millions of peasants. Appropriate economic and social benefits were not reaped, causing a long period of failure to achieve expected progress in agricultural production.

The third important reform was the introduction of the household responsibility system of linking remuneration to output. After the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee, in deference to public will and out of respect for the creative spirit of the masses, universally introduced the household responsibility system of linking remuneration to output throughout the country. The enforcement of the responsibility system of linking remuneration to output provided us with a way to inherit the positive results of 20-odd years of agricultural cooperation and overcome excessive concentration in the operation and management of the collective economy. The essence of the responsibility system of linking remuneration to output called for properly separating ownership of the means of production and the right of operation and control. Given no change in ownership of land and other chief means of production, it is still the socialist system of collective ownership. But through introducing contracts and combining unified control with control on a separate basis, the right of management and operation was divided into two levels—unified collective operation and separate operation by peasant households. Unified control was exercised where it should be. Control on a separate basis was exercised where it should be. Thus, the superior features of the unified operation of the socialist collective economy were brought into play. The masses of peasants were also enabled to exercise the decisionmaking power of separate operation and give full play to household operation enthusiasm. This brought things more in line with the features of our agricultural production, more in line with our level of agricultural productivity, and more in line with the wishes of the masses of peasants. Thus, the many defects of the original collective economy were overcome. Some problems that had remained long unsolved were solved.

giving a big boost to the development of agricultural production and stimulating the development of many rural undertakings.

With the contract system of linking remuneration to output and a series of rural reform policies introduced, the socialist road better suited our concrete conditions, allowing the better development of the superior features of the socialist system. Peasants' production enthusiasm mounted from year to year. Agricultural production showed increasing improvement, year after year. The speed with which the rural situation changed for the better and the rapidity of development exceeded many people's expectations. There was praise at home and abroad.

The Outlook for Development—There Is Great Potential in the Countryside; Pessimism Is Unfounded

After an unprecedented overall bumper harvest in agriculture was obtained in 1984, grain and cotton production dropped in 1985. A new problem of agriculture hovering around the same level has since appeared.

How should we treat the problem of agriculture hovering around the same level for the past few years? Some comrades consider that the main cause for agriculture hovering around the same level for the past few years is that the contract system of linking remuneration to output no longer works. To achieve a new breakthrough in agriculture, we can only adopt new ways of operation. This view is divorced from reality. The hovering of agriculture for the past few years is not chiefly a problem of the responsibility system of linking remuneration to output. It is instead due to the fact that with initial results obtained in the rural reform, some comrades have become too optimistic in their assessment of the agricultural situation, erroneously thinking that agriculture had stood the test, and thus relaxing efforts in leading and supporting agriculture. A large amount of energy has been diverted toward industry. The investment in agriculture and industries serving agriculture has been substantially cut, irrigation facilities have been left in bad repair, and farm machines have been allowed to wear out. The material and technical foundation has been weakened. There is a shortage of chemical fertilizers and insecticides, with a sharp rise in price. The costs of agricultural production have risen greatly. But no appropriate adjustment is being made in the purchase prices for grain, cotton, and other staple agricultural products. The relative benefits of agricultural production are shrinking, dampening peasants' enthusiasm to take up agricultural production, especially cotton and grain production. This is the main cause of agriculture hovering around the same level. Therefore, blaming the hovering of agriculture on the contract system of linking remuneration to output is incompatible with the facts. On the contrary, the contract system of linking remuneration to output has been a fundamental factor in explaining why, in the past few years, agriculture has witnessed no big slide and rural social stability has been maintained. The contract system of linking remuneration to output is in

line with our present level of rural productivity and with the wishes and interests of peasants. Any idea of attempting to change the contract system of linking remuneration to output to seek new agricultural development in disregard of concrete conditions would be dangerous. In fact, we must really strengthen leadership over and support for agriculture, readjust the pattern of the national economy, change the state of an overheated industry with agriculture left out in the cold, readjust the pricing policy according to the law of value, lighten the peasants' burden, give further play to the role of the system of linking remuneration to output, and further arouse the production enthusiasm of the masses of peasants. So long as we do so, there will be no difficulty in reversing the current situation of agriculture hovering at the same level.

Some comrades hold the view that "our population is rising continuously, and cultivable area is decreasing with each passing day." "The potential in the small-peasant economy has been exhausted," with a limit to supplies available. They put forward the idea that we must in the future permanently rely on the import of grain. This is incorrect. Our country has a large population, with scant per capita cultivable land resources. This is a fact. In the present stage, the state is still not strong economically. There is not enough farmland capital construction and agriculture-related industries. The ability to resist natural disasters is insufficient. Therefore, any idea or practice based on blind optimism and the view that agriculture has stood the test and that there is no need for close attention to agricultural production and construction is wrong. But there is no reason to draw a pessimistic conclusion. There is still a very great potential for increasing our agricultural production. The outlook for agricultural development is hopeful. This is because first, many years of quantitative surveys by the Committee for the Comprehensive Survey of National Resources under the Chinese Academy of Sciences show that our country now actually has 2 billion mu of cultivable land and not 1.435 billion mu. Surveys by experts from several departments and bureaus show that even by 2000, more than 1.9 billion mu of land will still be maintained. In 1984, our total grain output occupied first place in the world. But per-mu yield was only 509 jin, ranking 18th in the world. In terms of the actual area involved, the per mu yield was still lower, ranking even further behind. Of the existing cultivable area, two-thirds represent middle- and low-yield land, with a still very great potential to boost output. Moreover, our country still has many deserted mountains, slopes, and shores with resources that can be tapped. Second, there is still greater potential in our agricultural science and technology. We have on hand a well-trained and numerically strong agricultural science and technology force. Since the rural reform, there has been a breakthrough in agricultural scientific research. Major achievements have been scored in the breeding of various strains, cultivation, fertilizer application based on directions, prevention and treatment of diseases and insect pests, and areas. In some cases, international levels have been

exceeded. So long as conditions are ripe, existing scientific research results can be popularized and applied. Agricultural production can be increased several tens of percent. Grain production can go up a few steps more. Third, there is still much that agriculture-related industries can do. Now quite attractive figures are involved when it comes to reduced production caused by the shortage of chemical fertilizers, insecticides, plastic film for agricultural use, farm machinery, diesel engines, and electric power. If agriculture-related industries, after being readjusted and upgraded, can satisfy the demand for high quality agriculture-related industrial products, agriculture can reach a new high level. Fourth, we have a colossal agricultural labor force known for its thrift and industry and its tradition of intensive and meticulous farming. Under the leadership of the party, the masses of peasants, giving full play to the superiority of the socialist system, have created many miracles in agricultural development. So long as our future policy is in order, with the enthusiasm of hundreds of millions of peasants further aroused, we can create still more miracles in agricultural development. In sum, the outlook for our agricultural development is optimistic. Any pessimistic or foreign-oriented viewpoint cannot be accepted.

The Road of Advance—Stabilizing and Perfecting the System of Linking Remuneration to Output and Combining Household Operations With Social Services

As a readjustment of the rural relations of production and a major reform of the collective economic operation and management system, the system of linking remuneration to output is the first of its kind in our country and is unique to it. But in itself, it calls for being stabilized and further perfected. A) We must stabilize and perfect the household contract level. We must do a good job of handling agreements to contract out and contract for land, upholding no change in a contract for a fixed period of 15 years, increasing peasants' sense of policy stability, arousing peasant consciousness to increase investment in agriculture, respecting peasants' decisions on production and operations, and giving full play to enthusiasm for household operations. This is a major policy for the countryside. B) We must consolidate and improve leadership and economic strength at the village level and properly handle social services in agricultural production before, during, and after production. C) We must carry out appropriate reforms about political and economic control systems, circulation systems, science and technology systems, and so forth at the county and township levels, bringing about proper coordination. By doing work well at these three levels, we can bring the new system of rural operation and management close to perfection and give full play to its role in stimulating the development of productive forces.

As things stand now, rural work must focus on the proper handling of the consolidation and building of organizations at the village level and the proper handling of social services for agricultural production. The basic feature of the contract system of linking remuneration to output calls for combining unified control and control on a

separate basis and combining operations at two levels. Agricultural production in its current form is no longer a small-peasant economy of self-sufficiency. It will not do to just rely on individual households. There is a need for tractor-plowing, irrigation, and a supply of chemical fertilizers and insecticides. Other services before and after production are also needed. This is what individual households cannot carry through to their end, cannot handle well, and cannot operate in an economical manner. There is a need for a collective economy to operate on a unified basis and provide services. But in quite a large number of villages, the enthusiasm for peasant household operations in the last few years has been brought into play, while the superior features of unified operations based on the collective economy have not been properly developed. According to an investigation by the Ministry of Civil Affairs, around 20 percent of village-level organizations in the country are in a paralyzed or semi-paralyzed state. It is 30 to 50 percent in some provinces and regions. The role of unified operations cannot be brought into play. As peasants who do farming on their own cannot obtain collective help, agricultural production naturally suffers greatly. In this respect, there are also many typical cases involving the proper combination of unified control and control on a separate basis. The case of Shaodong City, Heilongjiang Province is a case in point. This city has an agricultural population of 600,000. In 1985, grain output was 450 million kilograms, with 160 million kilograms sold to the state. In 1988, it was 880 million kilograms, with 404 million sold to the state. This year, an output of 900-950 million kilograms can be obtained, with 500 million kilograms sold to the state. In a matter of 4 years, grain output had doubled, while contributions to the state had increased greatly. What had been relied upon? It was two fundamental experiences. One was the correct thinking of the leadership. There was persistence in putting agriculture first, with all trades and lines supporting agriculture, persistence in building farmland irrigation facilities, and persistence in scientific farming and in improving production conditions. Another was to give full play to collective enthusiasm and peasant enthusiasm, with peasants' commitment to contracts and households' involvement in operations, as in the whole country. In addition, the collective economy in every one of the city's 326 villages was capable of providing very good services before, during, and after production, with tractor-plowing, irrigation and buying of chemical fertilizers, fine strains, and insecticides put on a unified basis. Some villages also sent chemical fertilizers directly to the fields. Full play was given to the superior features of unified operations based on the socialist collective economy. This shows that the potential in the system of linking remuneration to output has not been exhausted. Instead, a lot of work still remains to be done. We must do our best to perfect and develop this good pattern created by the masses of China's peasants and give full play to its role in rural development.

Given the hovering of agriculture at the same level in the past few years, there has again been talk about the system

of linking remuneration to output, being an expediency. Some comrades suggested looking for a new economic form. Viewpoints like this are out of order. A traditional view formed over a long period of time holds that mass production has an advantage over small-scale production. Mass production is also put in simple terms as an expansion of the scale and the large-scale concentration of manpower and material resources in a work place. Social mass production is set in opposition to household operations. It is considered that household operations are incompatible with modernized agricultural production. Experiences at home and abroad show that agricultural production is suited for operation by households. In economically developed countries, household operations still represent an important form of operation in modernized agriculture.

Approximately 10 years of experience in introducing the system of linking remuneration to output in our country has unfolded before us a picture of household operations being combined with social mass production. With the system of linking remuneration to output introduced, peasants become independent commodity producers. The enthusiasm for commodity production soars to an unprecedented height. The development of commodity production has stimulated the readjustment of the industrial mix, stimulated social division of labor, and stimulated specialization. Some of the peasants have switched over to secondary and tertiary industries. Some have devoted themselves to specialized services involving farm machinery, protection of plants, and so forth. Where other social conditions are ripe, peasants abandon the land to take up other industries. Thus, peasant households directly involved in agricultural production can greatly drop in number. Those peasants devoted to farming would have their scale of operation appropriately enlarged, with a substantial increase in results and income. Households handling agriculture are actually a link in the whole chain of social production and are made part of the mass production system of cooperation. Experiments with moderate-scale operations in some areas have in recent years shown good results. These areas still follow the pattern of household commitment to contracts and operation at both levels. Of course, most of the rural areas of the country at present have still not been provided with such conditions. There is still a process of creating conditions. But from the typical cases in these experiments, we can see that given the upholding of public ownership of land and other fundamental means of production, peasants' household operations can absorb modernized and socialized productive forces through the system of linking remuneration to output and through various patterns of social services. There will be opened up a road of socialist agricultural modernization with Chinese characteristics.

In the past 40 years, various fields of endeavor in our countryside under the leadership of the Chinese Communist Party have scored great achievements. Of these achievements, the most important is that after explorations and experiments, we have found a road of realizing

socialist agricultural modernization compatible with the conditions of our country. The leadership and the masses have both accumulated experiences. We believe that so long as we continue upholding the line and general and specific policies of reform and openness formulated at the 3d Plenary Session of the 11th CPC Central Committee, work as one in the hard struggle to make the country strong, and firmly follow the road already opened up, our countryside can surely show still greater prosperity.

Rural Enterprises Face Slower Growth, Closures

HK2709035189 Beijing CHINA DAILY in English
27 Sep 89 p 4

[By staff reporter Gao Anming]

[Text] In line with senior leader Deng Xiaoping's ideas of reforming the country's township enterprises, the Ministry of Agriculture reiterated its policy of closing down or reorganizing wasteful rural firms that compete with large state firms for raw materials and energy.

Although the ministry would slow down the excessive growth of rural industries and reduce their capital construction, it does not mean a shift from the established policy of supporting rural industrialization, according to Vice Agricultural Minister Chen Yaolang.

At a symposium on the state rural policies sponsored by the Propaganda Department of the Party Central Committee, Chen said the slowdown of rural industrial expansion is to be co-ordinated with the country's general industrial and agricultural development, particularly the latter, which has lagged behind for years.

During the next three years, Chen said, all new projects will be cancelled or postponed except for those producing goods for export, raw materials, energy, accessories and equipment for large industries, consumer goods in short supply on the domestic market or enterprises processing farm produce or non-staple goods.

The present firms that waste raw materials and energy, cause serious pollution, produce substandard goods or continuously operate at a loss due to poor management will be shut down immediately.

The government at various levels will see to it that the contract system in rural enterprises is perfected, technical levels enhanced and management improved.

Chen said the government will promote thrift by helping the enterprises rationally divide their profits between individuals and enterprises. Non-productive expenses will be reduced and accumulation encouraged.

The state will also help promote modern production by co-ordinating the operations of various township enterprises and strengthening necessary regulations and discipline.

All these moves follow Deng Xiaoping's discussion with top leaders three months ago when he pointed out that it is important to curb the overheated growth of rural industry and to improve its efficiency.

The country's rural industry entered its boom period in the early 1980s when an extensive adoption of the contract system in farming greatly improved efficiency. This freed numbers of workers from the land who have since joined manufacturing and tertiary industries in rural areas, usually called township enterprises.

At present, there are 18.8 million township enterprises, absorbing nearly 100 million surplus rural labourers. Last year, these enterprises turned out goods valued at 650 billion yuan (\$175 billion) accounting for 58 percent of the gross output value in rural areas and a quarter of that of the whole country, according to Chen and FARMERS' DAILY.

Last year rural firms paid 31 billion yuan (\$8.4 billion) in taxes, making up nearly one-eighth of the state revenue for the year. From 1985 to 1987, nine-tenths of the net increase in government revenue came from township enterprises.

One of the most spectacular aspects of rural industrial growth is probably the development of export-oriented enterprises, which, taking advantage of their abundant and cheap labour and adjusting quickly to the demand on the international market, have become one of the country's mainstays for exports, according to ECO-NOMIC DAILY.

From 1984 to 1988, these enterprises exported a total of \$25 billion of goods, with an average increase of 25 percent every year. The country now has 24,000 rural enterprises specializing in producing goods for exports, mainly garments, handicrafts, chemical and textile products, farm produce and mineral materials, the paper said.

Despite all these achievements, a large proportion of rural enterprises have created serious problems as well, such as repetitious establishment of similar firms, balance [as published] between production and materials supply and market demand, excessive emphasis on scale to the neglect of efficiency, waste of raw materials and serious pollution.

A lack of experience and managerial personnel, low technical levels and the pursuit of short-term interests at the expense of long-range development and environmental protection are to blame for these problems.

Many rural firms, were never placed under strict central planning, and founded by local governments which, treating these firms as a ready source of income, were often eager to exact their contribution of money and services.

The absence of long-term plans and strict regulations enable the managers and sometimes ordinary workers to seize the lion's share of the profits to the neglect of provision for expansion.

This led to many rural enterprises having a severe shortage of funds for strengthening their own competitive edge. As a way out, they rely solely on bank loans, resulting in a subsequent reduction of the already insufficient money supply to key state projects.

Hence the present austerity measures to curb rural industrial growth.

It is expected that the state will be able to improve the country's communications network and expand its energy and raw materials industries and agriculture with the money saved from these measures, as it planned.

Farms Use Mechanization To Boost Output

OW1210114889 Beijing XINHUA in English
0843 GMT 12 Oct 89

[Text] Harbin, October 12 (XINHUA)—Zhang Fushan, head of the second team of the friendship farm on the Sanjiang Plain, can not help but tell every visitor that each of the 20 workers in his team is expected to be able to produce 208 tons of grain and soybean this year.

Zhang has every reason to be proud because the output per person here is actually the highest in the country.

The Sanjiang (three rivers—the Heilong, Songhua and Wusuli) plain covers 140,000 sq km.

"It would be impossible if it were not for the machines," said Zhang, pointing to the four large combines working in the fields in this harvest season, which were imported from the John Deere Company of the United States.

Like Zhang, farm workers on the Sanjiang Plain, China's major grain and soybean producer, in northeast China's Heilongjiang Province, all take pride not only in supplying the country with more and more grain but also in their advantages in access to and use of advanced machinery.

Last year, farms on the plain produced 5.5 million tons of grain and soybean, and turned over 3.5 million tons to the state, almost equivalent to the total amount of three other provinces.

Unlike most Chinese farmers, they now do 90 percent of the farm work, and 100 percent of wheat and soybean cultivation with machines.

With advanced farm machinery, productivity on the plain is the top in the country. Some 342,000 farmers till about two million ha of land, that is, six ha per farmer or six times the national average, according to Wang Jizhong, deputy head of the provincial general farm administration.

In the Zhang's team, which is best equipped mechanically on the plain, 20 workers, all of whom can drive machines and vehicles, cultivate 1,533 ha of land, averaging 75 ha per person.

The 100-odd farms on the plain now own a total of 30,000 large and medium-sized machines, including large caterpillar tractors, large combines (with straw-pulverizing functions and caterpillar tracks), medium-sized reapers, excavators, bulldozers, land levelers and sprinklers.

Use of farm machinery on the Sanjiang Plain started in the early 1950s when a large-scale reclamation program was initiated there, recalled Wang.

Since then, especially since more than 100,000 demobilized soldiers and officers joined in the reclamation in 1958, the state has provided farms on the plain with special backing in the aspect of farm machinery in a bid to turn it into a major grain supplier.

Since 1978, when the country formulated the open policy, the farms have been better equipped with a great number of advanced farm machines imported from the United States, Federal Germany and Japan.

The farms have also paid due attention to the use of heavy-duty machines to reclaim marshland or build irrigation and water conservation projects on land vulnerable to flooding.

As a result, 95 percent of the cultivated land on the plain was safe despite severe flooding in 1987; in 1981 crops on one third of the land were destroyed by floods of similar severity.

Now even airplanes are used to help the farmers. Wang said, adding that his administration now uses 45 planes introduced from Poland and Australia for weeding and pesticide spraying, and every large farm has an airstrip.

Farm machinery is also common on farms run on a household basis on the plain. Since the household responsibility production system was introduced in rural areas in 1979, farms on a household basis have sprung up using machinery transferred from state farms.

Private farmers have also raised funds to buy new machines. Now every private farm, on average, owns machines valued at 50,000 yuan to 100,000 yuan.

Grain, Cloth, Coal Output Highest Worldwide

OW2709085889 Beijing XINHUA in English
1505 GMT 26 Sep 89

[Text] Beijing, September 26 (XINHUA)—Since the founding of New China in 1949, the country has become the world's top producer of five items.

These products are the following:

—In 1988, grain, cotton and meal amounted to 355 million tons, 4.15 million tons and 21.94 million tons,

respectively, topping the world for three or more years. China's grain output exceeds that of the United States, which ranks second in the world, by 80 million tons, and is more than two times that of India.

In 1949, China had only 113 million tons of grain to feed its population of 540 million. Now, China's per capita grain and cotton output approach or reach the world's average level although its population has expanded to 1.1 billion.

Its cloth output has increased from 1949's 1.89 billion meters to today's 18.8 billion meters, enough to circle the globe 47 times. The per capita cloth supply is 17.2 meters, five times that before liberation.

—Coal, called "industrial grain", increased by 30 times from 1949's 32 million tons to 1988's 980 million tons, rise from ninth in the world to first.

More than 70 percent of energy comes from the coal. It is shipped ton by ton every day from Shanxi, Hebei, Liaoning and Henan Provinces to every part of China.

Cement, the main material for construction, increased by 317 times from 0.66 million tons to 210 million tons, with infrastructural construction developing rapidly.

—The consumer goods of China have developed more quickly. Bicycle output amounted to 41.4 million in 1988, 2,956 times that of 1949. China is now called the "bicycle kingdom" with every three people owning a bicycle.

China produced 9.83 million sewing machines, 43.8 million electric fans, 7.576 million refrigerators and 10 million washing machines in 1988.

Desertification Control Measures Reviewed

OW2709085889 Beijing XINHUA in English
1629 GMT 26 Sep 89

[Text] Lanzhou, September 26 (XINHUA)—China, though still one of the countries being plagued by desertification, has made encouraging achievements in controlling the encroachments of the desert over the past four decades.

Deserts and arid land cover 1.49 million sq km of China's territory, accounting for 15.5 percent of the country's total, and adversely affect 13 provinces and regions in the north with a population of 50 million.

In addition the deserts have been spreading at an average annual rate of 1,000 sq km over the past half century.

After the People's Republic was founded in 1949, the state organized a desert-control force of 2,000 scientists and experts, and 19 inspection crews to survey the country's desert distribution, types, landforms, coverage area, natural conditions and resources.

Braving hardships and difficulties, they surveyed the major deserts—the Taklimakan, Gurbantunggut, Badain

Jaran, Tengger, Ulan Buh, Kobq and Muus— as well as the Qaidam Basin in Qinghai Province and the Gobi Desert in the Gansu corridor.

After the nationwide survey, they made an urgent call for desert control and afforestation, and offered many constructive suggestions.

Since then, top priority in desert control has been given to curbing desert invasion of arable and pastoral land in arid areas.

Scientific researchers have built nine experimental stations and 22 centers in the Ningxia Hui, Xinjiang Uygur and Inner Mongolia Autonomous Regions, and Gansu, Shaanxi, Henan and Shandong Provinces, and Beijing to form a desert control network.

As a result of their painstaking efforts, 10 percent of the country's desert areas have been brought under control and 12 percent of its 334,000 sq km of arid land stopped from deteriorating, said Zhu Zhenda, director of the Lanzhou Desert Institute.

To prevent the Baotou-Lanzhou Railway, stretching along the south edge of the Tengger Desert, from being buried by sand, scientist and railway workers have buttressed the line with wheat straw mats and planted sand-fixing plants along the line, which has been used without mishap for three decades.

In many newly afforested areas, sand invasion of arable land has been checked. In Pingchuan town in Gansu Province, scientists and farmers have built a shelterbelt of trees covering 2, ha and forcing the front of the Badain Jaran Desert to recede by 0.5 to one km and protecting 3,300 ha of farmland from wind and sand.

Guided by scientists and technicians, farmers in Yulin Prefecture of Shaanxi Province bordering on the southern edge of the Muus Desert have taken part in afforestation work on a household basis. Their endeavors have raised the prefecture's forest cover rate to 36.8 percent from two percent in 1950s.

The Lanzhou Desert Institute, which was established in 1978, has become the country's leading research base for desert control. It has completed 40 scientific research projects and most of them have been applied by the central and local governments.

China's achievements in desert control have attracted world attention. In August 1987 the United Nations environment program decided to set up an international training center or desertification control and research at the institute.

The training center has so far trained 80 people from 36 countries. China's experiences in desert control have already proved useful in Mali, the Niger, Tanzania, the Sudan, Pakistan, Morocco and Japan.

East Region

Anhui Secretary Addresses National Day Reception

OW1010151589 Hefei ANHUI RIBAO in Chinese
30 Sep 89 p 1

[Text] There were colorful and jubilant celebrations at the No 1 and No 2 activity rooms for veteran cadres of organs directly under the provincial authorities in the afternoon of 28 September. It was there that the provincial party committee and the provincial government held a separate meeting for veteran cadres in celebration of the 40th anniversary of the founding of the People's Republic of China. Leaders of the provincial party committee, provincial Advisory Commission, Standing Committee of the provincial People's Congress, and provincial government, including Lu Rongjing, Fu Xishou, Wang Guangyu, Meng Fulin, Cheng Guanghua, Zhao Baoxing, Zheng Rui, and representatives of veteran Red Army soldiers and cadres of organs directly under the provincial authorities, numbering more than 500, got together to happily celebrate the National Day.

Lu Rongjing and Fu Xishou addressed the meeting. On behalf of the provincial party committee and the provincial government, they extended greetings and paid high tributes to the veteran comrades at the meeting and to other retired cadres.

Lu Rongjing and Fu Xishou spoke highly in their speeches of the contributions made by the veteran comrades in the various historical periods. Both called on party organizations and governments at all levels to continue to publicize veteran comrades' historical exploits and great contributions to create an atmosphere of respect and love for the old in society. Both leaders also urged the veteran comrades to play a greater role in building the two civilizations, particularly in building the party, in strengthening ideological and political work, and in showing concern for the growth of the next generation.

Li Shinong and other veteran comrades, as well as responsible persons of some units directly under the provincial authorities, also attended the meeting.

After the meeting, the provincial party and government leaders jubilantly took part in entertainment activities, such as fishing and riddles, and saw the colorful performance by the old people's art troupe of the Cultural Department.

Fujian Leaders Mourn Veteran Revolutionary

OW1010023689 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 18 Sep 89

[Excerpt] Mr (Wang Zhaopei), a participant in the 1911 Revolution, Standing Committee member of the provincial Committee of the Chinese People's Political Consultative Conference, member of the Central Inspection

Committee of the Revolutionary Committee of the Chinese Kuomintang, and advisor to the provincial and Fuzhou City RCCK committees, died of illness at the age of 100 on 17 September.

Provincial and city leaders Chen Guangyi, Wang Zhaoguo, Cheng Xu, Zhang Kehui, Yuan Qitong, Lin Kaiqin, Wen Fushan, Wen Xiushan, Guo Ruiren, You Dexin, Chen Xizhong, Ni Songmao, Chen Yangzeng, Xu Jimei, Gao Hu, and Hong Yongshi visited the hospital on 17 and 18 September to pay last respects to the remains of Mr (Wang Zhaopei). Also paying last respects were officials from the relevant provincial and Fuzhou City departments and all democratic parties, as well as Mr (Wang Zhaopei)'s friends.

Leading comrades Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Zhang Kehui, and Yuan Qitong visited Mr (Wang Zhaopei) a few times while he was hospitalized. [passage omitted]

Fujian Leaders Attend Model Workers Send-Off

OW1010043289 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 25 Sep 89

[From "News" program]

[Text] A 70-member delegation of Fujian's national labor models and advanced workers, headed by Xiao Jian, vice chairman of the Fujian Provincial People's Congress, left Fuzhou for Beijing by train this afternoon to attend the conference to commend national labor models and advanced workers.

Two other veteran labor models, who won the honorable titles of national labor models, left with the delegation as the conference's special guests.

Over 1,000 people, including Vice Governor Chen Mingyu and leading members of Fujian and Fuzhou trade union councils and relevant departments, saw the labor models and advanced workers off at the railway station.

Before the departure of these representatives, Wang Zhaoguo, Cheng Xu, Hu Hong, Lin Kaiqing, Wen Fushan, Huang Ming, Xiao Jian, Chen Mingyi, Shi Xingmou, Ling Qing, and other leading comrades had a cordial meeting with all the comrades of the delegation and pinned rosettes on their lapels. Secretary Chen Guangyi, who is on official business outside Fujian; Deputy Secretary Jian Qinglin; and Vice Governor You Dexin, who has been hospitalized because of illness, extended their cordial regards and warm greetings to the representatives by telephone.

Governor Wang Zhaoguo conveyed the cordial regards and wholehearted congratulations of the Fujian provincial party committee and the government to the labor models and advanced workers, praising them for inheriting and carrying forward the glorious traditions of labor models of older generations cherishing the CPC

and socialism, their wholehearted selfless dedication to work, and their courage to press forward to reform and explore. Wang Zhaoguo urged them to uphold the CPC's four cardinal principles, cherish their honor, strive to win even greater honors, and contribute more to construction in Fujian.

Taiwan Investors Interested in Fujian Refinery

HK1110045389 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 11 Oct 89 p 2

[Text] Fujian Province's first oil refinery scheduled to start production in 1993, has caught the attention of a number of Taiwanese investors interested in developing petro-chemical and related industries in its environs.

Once the factory is operational, Fujian is expected to be self-sufficient in fuel for its own industrial base.

However, the overall project, which is estimated to cost more than U.S.\$2.2 billion over the next 10 years, possesses capital only for its first phase.

Dai Qun, managing director of Xiaocuo Comprehensive Development Co. said in Xiamen recently that the project had gained the approval of China's State Council in May, after three years of preparation.

The overall development plan on the southern coast at Xiaocuo includes an oil refinery with a total capacity of 7.5 million tons per year on a 1.5 square km site, in addition to a petro-chemical city on its south side.

Fujian, at present, is the only coastal province in China which has no oil refinery—all its other counterparts have at least one, while Guangdong has two refineries.

Mr Dai said the refinery would be developed in two stages—its first stage capable of producing 2.5 million tons per annum.

Factories producing secondary chemical products will be built at the same time.

Construction cost for phase one—estimated around 1 billion to 1.5 billion yuan (about U.S.\$200 million)—has been cleared by the central government and invested through the China National Petroleum Corp and the provincial government, he said.

No foreign funds would be involved in the development of phase one. But as the project progressed to its second phase of development it would have to rely on foreign investment, Mr Dai said.

Mr Dai disclosed that Indonesian-Chinese tycoon Liem Sioe-Liong had initially been negotiating with Xiaocuo on developing the refinery, but no concrete results had emerged from the talks.

He said the refinery was aimed at making Fujian's fuel supply self-sufficient and developing its basic industries.

Research conducted in the province has revealed the yearly oil consumption in Fujian is more than one million tons at the moment and will more than double by 1995.

At the same time, secondary residual fuels such as LP [liquefied petroleum] gas produced during the refining process, could help improve the living standards within the province, he said. Currently, coal is still the major fuel in China.

Mr Dai said two factories, one for LP gas and one for the production of primary plastic raw materials would be set up with the first phase.

Industrial output is expected to reach 1.75 billion yuan with the completion of phase one.

The initial infrastructure for the development of the refinery is underway at the moment, according to Mr Dai.

A pier with a loading capacity to serve vessels of 10,000 dwt would be completed this month. Another large pier, containing four berths with capacities ranging from 1,500 dwt to 100,000 dwt to serve oil tankers was in the planning stages.

An existing military airport in the Huion county would be expanded to facilitate transportation needs.

Development of phase two—expected to include a 5 million ton refinery, a man-made fibre factory and an intensive plastic raw material factory—was only in its blueprint stage. Total investment for phase two would be around U.S.\$2 billion. Given the stringent tightening of capital throughout China, Mr Dai said the project needed an infusion of foreign capital.

Fujian Special Economic Zone Improves Output

OW0910100489 Beijing XINHUA in English 0919 GMT 9 Oct 89

[Text] Xiamen, October 9 (XINHUA)—The Xiamen Special Economic Zone (SEZ), one of five such zones in China, has scored great economic achievements since its founding in 1981.

In the last eight years, the total production output value of the zone was 10.489 billion yuan.

The zone made 9.191 billion yuan in revenue between 1981 and 1988—some 1.38 times the total in the 31 years prior to 1981. And the national income per capita increased from 631 yuan in 1980 to now 2,684 yuan. The revenue of the zone between 1981 and 1988 was 3.746 billion yuan—an average increase rate of 25.72 percent annually.

All these achievements are attributed to the reform and open policy which encourages economic cooperation between Chinese enterprises, import of foreign funds and establishment of foreign-funded enterprises.

The rapid economic development has also enabled the zone's government to invest more in public facilities.

Between 1981 and 1988 a total of 919 million yuan was invested in real estate, public utilities, and service facilities for local residents, 55 million yuan on public health, sport and social welfare facilities and another 221 million on education, literature and art, and broadcasting.

The government has also spent a large amount on vegetable growing and price subsidies for residents.

Shandong Secretary Speaks on Cadre Training

SK0810002589 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 5 Oct 89

[Text] On the morning of 5 October, the Shandong Provincial CPC Committee and People's Government held a meeting on the training of the cadres of the organs directly under the province who are to be sent to grass-roots levels. The provincial party committee and government have always attached great importance to sending selected cadres to work at grass-roots levels. Since 1985, departments at various levels throughout the province have sent more than 49,000 office cadres to work at grass-roots levels. At present, more than 29,000 of them are still working at grass-roots levels. A total of 1,066 cadres were selected from the organs directly under the province this time who are to be sent to townships, villages, and enterprises to assume the assigned responsibilities while retaining their original posts.

Jiang Chunyun, secretary of the provincial party committee, spoke at the meeting. On behalf of the provincial party committee and government, he first expressed a warm send-off to all the comrades who are to assume new work posts at grass-roots levels after concentrated training. He said: The provincial party committee's recent decision to select a great number of cadres from its organs and send them to grass-roots levels in urban and rural areas—townships, villages, and enterprises—to assume assigned responsibilities while retaining their original posts was made after summarizing the experiences in sending cadres to grass-roots levels gained in the past few years. It represents actual implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

Jiang Chunyun said: To sum up, the major task of the cadres to be sent to grass-roots levels is, in line with the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, to help the units where economic development is sluggish and the work foundation is weak; carry out the party's line, principles, and policies; strengthen ideological and political work; find a correct way to achieve prosperity and accelerate economic development; and establish good leading bodies to eliminate backwardness.

Jiang Chunyun said: This group of cadres to be sent to grass-roots levels shoulder glorious and yet arduous tasks. He urged: After going down to the grass-roots levels, these cadres should steadfastly adhere to the

party's basic line, persistently take economic construction as the central task, uphold the four cardinal principles, and persistently conduct reform and opening up. After recent turmoil and the counterrevolutionary rebellion in the capital, we have gained a new understanding of the extreme importance of upholding the four cardinal principles. They are indeed the foundation for the people throughout the country to work hard in unity, and they are the basic prerequisite for the healthy development of reform and opening up. We should unswervingly adhere to them at all times and under all circumstances. We should take the party's basic line as a guide to our action and maintain a high degree of unity with the party Central Committee politically. We should remain clean and honest in performing official duties, maintain hard work and plain living, and play an exemplary role in rectifying the styles of the party and government. After going to the grass-roots levels, comrades should bear firmly in mind the purpose of serving the people wholeheartedly, set strict demands on themselves, take the initiative in observing laws and discipline, and truly establish an image as the party's cadres and the people's servants. They should remain modest and prudent, do a good job in maintaining unity, and face up to difficulties to make progress bravely. It is hoped that the party organizations of the units that send cadres to grass-roots levels, and the units that accept these cadres, will regard the work of sending cadres to grass-roots levels as an important task, include it in their agenda, and successfully carry out the various jobs for it. Relevant departments directly under the province should render active support for this work, show concern for the lives of the cadres sent to grass-roots levels, and help them resolve some practical difficulties so that they will have no misgivings and will keep their minds on their work at grass-roots levels.

Ma Zhongchen, deputy secretary of the provincial party committee, presided over the meeting. Attending were Lu Maozeng, Zhang Quanjing, Ma Zhongcai, Tan Fude, Zhu Yongshun, Lu Hong, and Wang Lequan.

After a 5-day concentrated study and training session, these cadres will leave for their new posts on 16 September.

Shanghai's Zhu Rongji Cites Development Goals

HK0910063689 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 9 Oct 89 p 3

[Text] Shanghai will open further to the outside world, Mayor Zhu Rongji told CHINA DAILY in an exclusive interview.

This decision is made in accordance with the repeated exhortation of Party chief Jiang Zemin who was the Party secretary of Shanghai before he took the current post.

Zhu said his government will take a series of major steps to speed up civic construction, improve the investment environment, and open new investment zones.

The most prominent step is to prepare for the large-scale development of the city's Pudong area—a 233-square-kilometre site between the Huangpu River and the East China Sea.

"Pudong is a treasure land of Shanghai. Here lies our hope to vitalize the city. Only by doing a good job on the development of this area can we hope to attract more overseas investors," said Zhu, who became the mayor of China's biggest industrial city in April last year.

He said that an overall programme for the development of this area has already been worked out and preparatory work, especially on the construction of a new port at the area's Waigaoqiao, is under way.

According to the overall development programme, the development of the Pudong area will mainly focus on the establishment of new industrial interests.

"We must do everything we can to introduce comparatively advanced industrial projects and technology from foreign countries into this area. We especially welcome foreign investors to launch solely foreign-owned ventures there," Zhu said.

Asked whether his government will follow the example of the city of Tianjin and Guangdong and Fujian provinces by leasing land in this area to overseas investors, Zhu said this might be one of the ways to develop Pudong, but not a major one.

He explained that because of the high price of land, a land development investor can recover his investment only by building office buildings, hotels and other non-production projects.

"We already have too many hotels. By 1990, the city's total number of hotel rooms will reach 20,000," he said.

"What we plan to do is to use our own funds as well as loans from the World Bank, the International Monetary Fund and foreign governments to complete the area's infrastructure construction first, and then lease, at comparatively low prices, the developed land to overseas investors for setting up solely foreign-owned ventures," Zhu said.

Apart from the development of the Pudong area, Zhu said his government will continue its efforts to complete the auxiliary construction of the already operational economic and technological development zones at Minbang, Hongqiao and Caohejing.

Several major civic projects are also under construction, which Zhu said signals the start of a new era characterized by a greatly improved investment environment. These projects include the 100-million-yuan upgrading project at the city's Hongqiao International Airport; the construction of the city's first metro, involving an investment of \$680 million; the building of a bridge over the Huangpu River at a cost of 820 million yuan; a city-wide wastewater treatment project, and the installation of programme-controlled telephones.

A five-year plan to ease traffic jams in the urban area has also been worked out and is being implemented. And a series of laws and regulations concerning overseas investment are being formulated.

"We are doing our utmost to improve the investment environment. Our goal is to ensure that all overseas investors coming to our city can make their investment and carry out their business and management in accordance with international practices," Zhu said. "If investors in our city meet with any nonconformity with international practices in conducting their business here, they are welcome to file their complaints directly to me. Being concurrently the director of the city's Overseas Investment Committee set up to solve investment problems, it is my duty to handle all such complaints and provide solutions."

Although the Mayor said he is confident about the city's investment environment, he acknowledged that his government will meet tremendous difficulties in bringing about a new situation.

"We have too many old debts left from the past in urban construction. We will need tens of billions of yuan to repay them," he said.

Since his government would never have such a financial strength, Zhu said, he hopes international financial bodies and foreign governments would help.

"We hope international financial organizations and foreign governments continue their co-operation with us," he said, adding that all five civic construction projects mentioned above have been funded with preferential loans from the World Bank and foreign countries.

"The World Bank had promised to provide us loans of \$200 million a year, including \$50 million in soft loans," he said.

Meanwhile, the city will go all out to expand exports and attract direct overseas investment, Zhu said. Up to now, the city has approved 670 joint ventures involving a total overseas investment of \$2.4 billion.

Shanghai Congress Standing Committee Meets

OW1010034489 Shanghai City Service in Mandarin
2300 GMT 25 Sep 89

[Text] The 9th municipal People's Congress Standing Committee held its 11th session on 25 September to examine the municipal government's reports on the implementation of the municipal 1989 national economic and social development and budget plans in the first half of this year, and on the screening and rectification of companies as well as speculative activities by the investigating units.

The committee members were satisfied with the municipal government's efforts in economic work and the results made in screening and investigation, and hoped

that the municipal government would pay greater attention and adopt more effective measures to exercise macroscopic control over state-owned industries and stabilize market prices.

Some committee members noted that, while it is imperative to urge the people to spend a few years in austerity, that does not mean the people's living standards should be lowered. It is the scale of investments in fixed asset which should be curbed; extravagance, waste and high consumption which should be opposed; and the problems of unfair distribution and the uneven share of difficulties and pleasure which should be solved so that the people can truly live and work in peace and contentment. The government should provide more convenience for the people in food supply, housing, and transportation.

In examining the report on screening and rectifying companies and on speculative activities by the investigating units, the committee members hoped that the State Council's work group, stationed in the Kanghua Company, would study more closely the questions of abolishing, merging, transferring, and handling local Kanghua Companies in Shanghai.

Hong Kong Largest Investment Partner in Shanghai

OW1110085789 Beijing XINHUA in English
0828 GMT 11 Oct 89

[Text] Shanghai, October 11 (XINHUA)—Hong Kong investors have now set up 349 businesses in Shanghai with investment totalling 650 million U.S. dollars, displacing Americans as Shanghai's largest investment partners.

According to the Shanghai Foreign Economic Relations and Trade Commission, the 88 businesses funded by Americans involve investment totalling 620 million U.S. dollars.

Foreign investors from 22 countries and regions have set up 682 businesses in Shanghai with funds totalling 2.46 billion U.S. dollars.

Hong Kong-funded businesses are mainly in the fields of textiles, light industry, plastics, hardware, hotels and residential property. Most of the businesses have made good profits.

Americans had previously ranked first among foreign investors. Since September, direct investment by Hong Kong businesses has risen steeply. Eight of the 12 foreign-funded enterprises set up in September were by Hong Kong investors. Their investment made up 41.77 million U.S. dollars, [words indistinct] the total foreign investment for the month of 43.51 million U.S. dollars.

From January to September of this year, direct foreign investment totals 320 million U.S. dollars. The figures have increased 28 percent over the same period of last year.

In the first nine months of this year, investment in Singapore-funded enterprises was 120 million U.S. dollars, 36 percent of the total direct investment by foreign investors. Direct investment by Taiwanese interests in the first nine months increased 38 times over the same period of last year.

Since it opened to the outside world in 1978, Shanghai has issued more than 50 regulations concerning foreign investment and improved its investment environment to meet the demands of foreign traders in Shanghai.

Mr. Terry Ginty, the general manager of the Shanghai Yaohua Pilkington Glass Company Ltd., said that he had succeeded in managing the joint-venture in Shanghai for three years mainly because he received the support and assistance of the local government.

Central-South Region

Guangdong To Close 200 Firms in Hong Kong

HK1610022789 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
16 Oct 89

[Text] More than 200 Hong Kong companies controlled and managed by the Guangdong government will be ordered to close as the province "rectifies" its economy amid an investigation into state-owned firms.

Mr Yu Fei, vice-governor of Guangdong province, said yesterday he expected even more companies in Hong Kong would face the same fate, as the government continues to tighten up its economy.

Speaking at yesterday's opening of the Guangzhou trade fair, Mr Yu said more than 780 companies were established in Hong Kong by different official institutions in Guangdong during the past year.

Mr Yu said the main purpose of the new firms in Hong Kong was to strengthen relations between the province and the territory, acting as a bridge between Hong Kong investors and their Chinese partners.

"After these companies have been set up for a period, we find some of them were in bad management and with no economic benefits," said Mr Yu. Others, he added, have been profitable.

"We then decided which should close and which we could maintain, according their performance," said the vice-governor. "We need to close the companies which have no economic benefits in order to preserve precious foreign currency."

Asked about concerns from the effects on Hong Kong and overseas business brought with the closure of the companies, Mr Yu expected it would be limited.

He said most of the companies to close were serving foreign investors who intended to invest in Guangdong, seeking Chinese partners and joint ventures.

Referring to the 10 years of China's open door policy, Mr Yu said there was no longer any need to operate such a large number of China-backed companies in Hong Kong.

Mr Yu conceded that some of the companies to close might have signed trading or cooperation contracts with foreign buyers or investors. Those that were not completed would be taken over by other China-backed companies in Hong Kong, with Mr Yu saying they would not be affected.

"Foreign investors do business with only one boss (China), no matter which company they deal with," said Mr Yu.

A year ago, Mr Yu said that 100 companies in Hong Kong would be closed following an investigation.

The senior official said the "rectification" was also under way with state-owned companies in Guangdong province. He said more than 30,000 companies have been investigated by the provincial government, and thousands of them would be ordered to either close or merge with another company.

Two directors of the Guangdong Commission of Foreign Economic Relations and Trade have been fired during the past three months amid charges of corruption.

Mr Yu said the province was still looking for suitable replacements. The vice-governor, a former commission director, has taken on the responsibility for now.

But he was optimistic about the economic state of the province. Mr Yu said exports during August and September were the best in 40 years, despite trade sanctions imposed by some countries following the violence in Beijing.

But Mr Yu admitted Guangdong faced a lack of capital to purchase products for export.

Hubei Secretary Speaks on Party Building

HK1010091989 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 9 Oct 89

[Excerpts] The work conference on party building, which had been called by the provincial party committee, held a plenary session yesterday morning. On how to further study and implement the spirit of the 4th Plenary Session of the 13th CPC Central Committee, the important National Day speech by Comrade Jiang Zemin, and of the national Organization Department heads meeting, provincial party committee Secretary Guan Guangfu delivered an important speech: Enhance Party Building with Rapt Attention.

The meeting was presided over by Governor Guo Zhenqian, concurrently deputy secretary of provincial party committee. Attending it were Zhao Fulin and Qian Yunlu, deputy secretaries of provincial party committee; Ding Fengying, Zhang Xueqi, Tian Qiyu, and Zhong Shuqiao, members of provincial party committee

Standing Committee; and Chen Ming, chairman of provincial Advisory Commission.

Guan Guangfu addressed five points in his speech:

1. It is necessary to conduct in a deepgoing way party concept and party leadership at the present opportune time in a bid to intensify the sense of urgency and responsibility for enhancing party building. Guan Guangfu pointed out: After winning a decisive victory in checking the turmoil and quelling of the rebellion, today we must review the past and think over the future with clear mindedness, and inculcate party members and the masses of the whole province with the idea of strengthening party concept and party leadership at the present opportune time to clear away some ideological obstacles to understand soundly that ours is a great, glorious, and correct party, and that only the CPC can be charged with the important historical tasks of leading and realizing the four modernizations and rejuvenating China. Facts have repeatedly proved that without the Communist Party there would be no New China, and that with the Communist Party there would be no prosperity of the people and stability of the nation. While affirming the main trend of our party, we must be aware of many problems in party building and see clearly the interference with and serious influence on party building produced by reactionary ideological trends at home and abroad and by Comrade Zhao Ziyang's errors. Party building must be firmly focused on implementing the party's basic lines, building our party into a strong core of the leading socialist modernization drive; guaranteeing the implementation of all principles, policies, and decisions issued by the party Central Committee and all decrees enacted by the State Council in our province; and ensuring the attainment of the strategic goal of making Hubei rise in central China.

2. It is necessary to grasp profoundly the essence of the fourth plenary session, the National Day speech by Comrade Jiang Zemin, and the national Organization Department heads meeting to clarify and further comprehend some major theoretical and practical problems concerning party leadership and party building. Meanwhile, it is necessary to exercise overall party leadership politically, ideologically, and organizationally, and the three aspects must be closely related to each other, dependent on each other, and cannot be separated. Any separation of those three aspects means the failure to give full expression to party leadership. It is necessary to adhere to the class basis of our party to preserve its advanced nature and purity. The nature of our party decides the fact that we must unswervingly take the working class as the class basis of our party, rely on it wholeheartedly, and give full play to its role of being a main force. Vast numbers of peasants of our country have always been a national alliance of the working class and firm supporters of the socialist system and party leadership. Intellectuals are a part of the working class. We must continue to uphold the party's policy toward intellectuals and further carry out the policy of respecting knowledge and talented people.

The guidance position of Marxism-Leninism-Mao Zedong Thought must be established. In no way should the theoretical basis of our party be remolded and replaced by the political doctrines, philosophical views, and party theories of Western bourgeoisie. We must use Marxist and socialist ideology to guide the work of departments in charge of theory, propaganda, education, the press, publication, and literature and art, and to occupy the positions of ideology, culture, and public media. The position of the political core of party organizations at different levels must be maintained and their role of the political core must be brought into full play. Local party committees at various levels are local leadership cores in all fields of work, and they shoulder the responsibility of exercising overall party leadership. Socialist enterprises must persevere in the system of the factory director's responsibility and strengthen in real earnest the role of the political core of party organizations, as well as ideological and political work. No matter which system universities and colleges adopt, party committees are always their political and leadership cores. Party committees at the township and town levels and party branches at the village level must bring their role of the leadership core into full play, exercise overall leadership over the building of the two civilizations in the rural areas, and lead the masses of the people to follow without deviation the socialist road. [passage omitted]

3. It is necessary to work hard for long-term capital construction in party building. Guan Guangfu said: Party building in the new historical period is long-term and large-scale social systems engineering, and it is necessary to devote deep study to it from a long-term point of view and do a good job in the fundamental work of addressing its strategic, long-term and basic problems. All systems governing inner-party life must be established and improved to render inner-party life normal. Strengthening the party ideologically and theoretically is a measure of fundamental importance for party building. It is necessary to inculcate party members, cadres, and the masses of the province with the party's basic line and conduct universal education among them in Marxism-Leninism-Mao Zedong Thought. Leading bodies must be strengthened and efforts must be made to implement in an all-around and accurate way the policy of making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent to actively and steadily push forward the reform of the cadre system, and to improve the quality of leading bodies and their members in an overall way to provide qualified cadres for the province's socialist modernization program as well as reform and opening up. [passage omitted] Party committees at different levels must understand well the important position of the building of primary party organizations and the building of the ranks of party members in party building, and shift the focus and main effort of party building to primary party organizations. Meanwhile, it is necessary to devote more effort to the improvement of the party's work style; fight corruption in a deepgoing way; inherit and develop the fine traditions of our party; and build closer relations

between the party and the masses, and closer relations between cadres and the masses so as to rebuild the high reputation of our party among the masses of the people. Efforts must be made to improve the quality of party affairs workers and build a mammoth and combat-worthy force of party affairs workers armed with Marxism.

4. It is necessary to do well several practical things without delay in the present party building. First is to do well the work of purifying the party. Principal leadership comrades of party committees at different levels should personally attend to the work and do a good job of it by arousing the masses of the people and organizing a concentrated force, and should not proceed the work superficially and leave hidden dangers. Second is to waste no time in investigating cadres at all levels. Through the investigation, leading bodies at all levels of our province will be significantly improved politically, become purer organizationally, and be more combat-worthy. Third is to further combat corruption, and investigate and handle without delay cases of corruption, bribery, and moral degeneration and violations of law and discipline involving party and government organizations and leadership cadres. [passage omitted] Fourth is to launch an extensive drive to learn from the advanced, and shape strong public opinion of learning from and emulating the advanced so as to set off as early as possible an upsurge of learning from, emulating, and catching up with the advanced throughout the province. Fifth is to give immediate attention to the study and formulation of some policies for the present party building.

5. Party committees at different levels should work for party building with great concentration. Guan Guangfu pointed out: Comrade Zhao Ziyang's erroneous guiding ideology of seriously ignoring party building over the past few years has adversely affected party building in our province to a certain degree, but our province, generally speaking, has done a lot of work in this respect and has achieved certain successes. According to the requirements set by the party Central Committee, party committees at all levels should concentrate on party building, remove obstacles, and adopt measures to work with undivided attention, total confidence, and firm and enduring efforts to actually change the weak situation in party building. [passage omitted]

In conclusion, Guan Guangfu said the 4th Plenary Session of the 13th CPC Central Committee, which is of important historical significance, regarded the effort to enhance party building energetically as one of the four major tasks ahead of the party. The new central leadership core has set an example in strengthening party building with great concentration. A major climate for strengthening party building in the whole party has taken shape. Party committees at different levels and vast numbers of party affairs workers must get a clear understanding of the situation, strengthen their confidence,

and grasp the present opportune moment to raise the level of party building throughout the province to a new height.

Southwest Region

Tibetan Authorities Criticize Nobel Prize

HK1310151089 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 13 Oct 89

[Excerpt] On the afternoon of the 12th, the Tibetan Autonomous Regional CPC Committee held a discussion meeting with patriotic figures from the Lhasa area, at which it strongly criticized Norway's Nobel Prize Committee for awarding the 1989 Peace Prize to the Dalai Lama, who has long engaged in separatist activities to split the motherland and disrupt unity among nationalities, for his efforts and contribution to the peace and harmony between peoples.

Deputy Secretary of the autonomous regional party committee Basang first reported at the discussion meeting on the situation of Lhasa's recent struggle against the separatist activities and other relevant details.

Comrade Basang said that for a long time the Dalai faction's separatist activities have been supported by a tiny number of foreign elements who oppose China. As everybody knows, the Dalai Lama is no ordinary religious leader. He is in fact a political ruffian who has long engaged in sabotaging the unity of the nationalities in China. Many riots in the past in Lhasa were the result of the manipulation by the Dalai faction, which caused serious losses to the lives and property of Tibetan people. [words indistinct] Their newly committed crimes will incur the wrath of the peoples of the world, and should be condemned by the the peoples of the world.

However, Norway's Nobel Prize Committee awarded the Dalai Lama the Peace Prize. This is a gross interference in our country's internal affairs, and a show of spiritual support of the Dalai Lama and the separatist elements within China, who only attempt to disrupt the unity among our nationalities and upset the unification of the motherland. This will not be tolerated by the Tibetan people and the people of the whole of China.

Comrade Basang said that the regional party committee, regional government, and the nationalities of the region unswervingly support the firm stance of our government regarding this issue, and are determined to wage to the end the struggle against separatism. [passage omitted about the support expressed by other patriots attending the discussion meeting]

Sichuan Forum Views Extensive Structural Reform

HK2509071989 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 24 Sep 89

[Text] According to SICHUAN RIBAO, a forum attended by party committee secretaries of counties and

cities chosen as testing grounds for the comprehensive structural reform in the rural areas of western Sichuan was held in Xinjin County from 21 to 23 September. Proceeding from reality, the meeting exchanged experiences and focused discussions on the new developments and new problems and difficulties that the counties are facing in the current reform and the way to deal with those problems and difficulties, the problem of how counties chosen as testing grounds for comprehensive structural reform will, in order to meet the needs of the new situation, replenish, improve and develop what they had reformed, and the guiding ideology, key points, policies and measures for further deepening the comprehensive structural reform in the rural areas.

After hearing what party committee secretaries of 15 counties and cities including Guanghen, Xindu, and Qionglai had said at the meeting, Comrade Yang Rudai made a speech. He said: The rural areas of our province have achieved great successes in the past decade of reform and we must make a splendid confirmation of them. In particular, the counties chosen as testing grounds for the structural reform have devised many useful solutions to new problems, some of the solutions being very successful indeed and, of course, some being not so perfect and not so appropriate. However, all these are problems arising in the course of advance. What is not perfect can be made perfect step by step, and what is not appropriate can be improved. Nevertheless, no change should be made to some things fundamental to the rural reform, or to the tone Comrade Xiaoping has set, and the lines, principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee. Meanwhile, there will be no change in the basic policies designed for reform and opening up in the past decade and no change in the contract system of responsibility linked to production. Developing township and town enterprises in the countryside is a major policy too and we must continue to uphold it and should not waver in determination. Furthermore, we must adhere to the policy of developing different economic sectors with public ownership as their main body. Developing specialized households is another major policy in boosting the rural economy. Regarding the system of overall responsibility by the factory director and the contracted responsibility system for enterprises, we must first make them stable and stick to them; and second, we must improve and develop them.

North Region

Beijing University Begins New Term 14 Oct

OW1510192389 Beijing XINHUA in English
1626 GMT 15 Oct 89

[Text] Beijing, October 15 (XINHUA)—More than 8,000 students returned to Beijing University yesterday to start the new term.

A spokesman for the university authorities said that the 748 freshmen recruited this year have started their

one-year political and military training in Shijiazhuang Army Academy since last Thursday.

The more than 260 foreign students from about 30 countries have also registered in the university. And 914 newly-recruited graduate students are expected to come and register in a few days.

In the first week of the new term, students will be organized to study documents of the party Central Committee, discuss speeches by Comrade Deng Xiaoping and watch video tapes on the quelling of the anti-government rioting.

Arrangements will be made in the ensuing four weeks to make up the classes missed during the April-June turmoil.

Hebei Secretary Stresses Ideological Work

SK0810030189 Shijiazhuang HEBEI RIBAO
in Chinese 16 Sep 89 pp 1,2

[Excerpts] At the provincial meeting to exchange experiences in improving the style of thinking gained by the county-level party committees that concluded on 15 September, Xing Chongzhi, secretary of the provincial party committee, emphasized: "We should conscientiously implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. The tasks ahead of us are heavy and arduous. We should devote ourselves to and quietly immerse ourselves in hard work, do practical deeds, achieve real results, and give a satisfying reply to the people and history."

The meeting lasted for 2 days. Present at the meeting were 175 people, including secretaries of the county (city and district) party committees, secretaries of the prefectural and city party committees, and directors of the prefectural and city organization departments. [passage omitted]

In his speech entitled "Strive To Improve Workstyle and Wholeheartedly Do More Practical Deeds," Xing Chongzhi said that we have advocated doing more practical deeds for many years. A group of cadres who are worthy of the name of earnestly and sincerely doing practical deeds for the masses have really emerged. However, some problems still exist. Some fail to make an accurate appraisal of some problems. Some fail to make determinations or devote themselves to solving the problems although they make an accurate appraisal of the problems. With each guarding a pass, some localities fail to concentrate efforts or form cohesive power. Some counties' practices showed that the key to doing several practical deeds hinges on the leading bodies' fine mental outlook, their devotion to work, and their sense of responsibility. Most of the comrades present are 40 or 50 years old, and will be 50 or 60 years old by 2000. Many of you shall hold your posts for a longer period of time, or shall be charged with even more important leading work. Thus, the style of thinking is of extreme importance in judging whether or not we can carry forward the party's fine traditions in the course of doing practical

deeds, in determining the work at present, and in judging whether or not we can successfully leap over the century. Therefore, we should be inspired with enthusiasm, do solid work, and actually make real results in order to enjoy the trust of the masses.

Xing Chongzhi said: The majority of the leading bodies at or above the county level are good. They have made noticeable achievements in reforms and opening the country to the outside world. They took a firm stand during the struggle in checking the turmoil, and took a resolute attitude in the current struggle against bourgeois liberalization and corruption. Over the past years, leading bodies at various levels have made arduous and painstaking efforts to stabilize the province's political situation and promote the development of all undertakings. The provincial party committee has constantly and fully affirmed their work in this regard. Of course, leading bodies at various levels are still confronted with the problems concerning being further inspired with enthusiasm and regarding replacing the "old mental attitude" with a "new one." We should notice that there are various problems related to the leading bodies' mental outlook: Some pay no attention to studying theories, fail to deeply understand the four cardinal principles, and guide the work with soft methods in one hand and with hard tactics in the other.

Without a strong sense of responsibility and an enterprising spirit, some are afraid of running a risk and pursue "safety" in doing work. Some pay more attention to personal things but less attention to public affairs, and try to establish personnel relationships and find backers. They will be discouraged if they fail to attain their goals. With failure to maintain administrative honesty, some dare not boldly wage the struggle against corruption. With a superficial style of work, some refuse to go deep into reality. With failure to attend to principles, some cannot positively carry out ideological struggle. Some vie with each other to do things for which they can be rewarded, and shift offensive things onto others. Thus, they dare not wage the struggle against unhealthy practices. Some leading bodies are not united. Some are coordinated superficially but not sincerely. Some even seize on each other's mistakes and shortcomings and are bogged down in "struggling against each other." We should loudly ask that leading cadres at various levels to first maintain administrative honesty, secondly do their work wholeheartedly, and thirdly be united. Leading cadres at various levels should ideologically build a dike to resist corruption, and play an exemplary role in maintaining administrative honesty. Leading cadres should be the first to do the things that the general party members are asked to do, and to carry out the arduous struggle that the masses are asked to wage. With different actual conditions, the departments and units at various levels have different things to do. Although the actual conditions are different, we must comprehensively implement the basic line of the party, persistently take the economic construction as a key link, and persist in the organic combination of the two basic points. Each

member of the leading bodies should correctly handle the personnel relationship, be fair in making use of personnel, help each other in performing duties, and understand and accommodate each other in doing things that are related to personal interests. It is necessary to oppose not only unprincipled disputes, but also the phenomena of keeping on good terms with everyone to the neglect of telling truth from falsehood.

Only when we have a fine mental attitude and there is a strict responsibility system can we achieve real success in doing practical deeds. The experiences gained by various localities tell us that we should solve the problems in four fields in order to further carry out the responsibility system: First, define what practical deeds should be done and what targets should be attained. Through extensively soliciting opinions and making scientific appraisals, party committees and governments should work out resolutions and make them public to the people. No one has the right to change them. Leading cadres should continue to do the practical things that are not accomplished by the leading cadres on the expiration of their appointed time. Never are they allowed to give up the work due to the change in the term of office. We must emphasize the continuity of doing practical deeds and the fulfillment of targets. Second, we should strictly fix responsibilities when targets are defined. According to the general targets, we should arrange specific tasks for implementation and assign them to responsible persons of party committees, relevant departments, and individuals. Third, we should grant relevant powers to those who are assigned responsibilities.

From now on, we should define that the province and prefectures (cities) should examine the work done by counties and judge what practical deeds benefiting the country and the people have been done, the results of the practical deeds, and whether or not the masses can accept these deeds. However, the province and prefectures must not intervene in the arrangements of the work, the division of the work between leading cadres, and the setup of organizations. With sufficient decision-making powers, counties are able to accomplish the practical deeds that should be done. Fourth, we should be strict and impartial in meting out rewards and punishments so that the cadres who have done a lot of work and made noticeable achievements in the forefront are awarded, promoted, and put in important positions; lest the cadres who are universally acknowledged as good and have made real achievements suffer losses and lest those who are not qualified to be government officials are promoted.

Xing Chongzhi said: A county is relatively an economically independent unit. In the course of implementing the central authorities' line, principles, and policies among the grass-roots units, the county party committees have undertaken a two-fold task of "design" and "construction." If they lack the thinking of system engineering, they will find it difficult to take on the overall situation or to achieve real results. To grasp the thinking of system engineering, we should grasp the main links

that play a decisive role in the course of development. At the time of solving the problems of the main links, we should pay attention to the work of the other links. Practical deeds should be done for the grass roots. One of the main reasons for our failure to do practical deeds for the grass roots over the past years is that some grass-roots party organizations are in the state of weakness and laxity and some are even in the state of paralysis. Some work is "hot in urban areas, cold in rural areas, and dead in villages." The province, prefectures (cities), and counties have been busy all year round. They convened many meetings and issued many documents. But, the guidelines of these meetings and documents cannot be relayed to villages or implemented among households. It is high time to change this situation. In a sense, attending to the construction of grass-roots party organizations is a practical deed of extreme importance that must be done at present. Over the past years, some prefectures and counties have positively explored ways for reforming the town and township systems, and have had fruitful experiences in this regard. Although their practices are different, there are several common grounds, such as defining responsibilities, linking achievements with profits, and granting powers to lower levels. Experience has shown that this is a successful reform. The provincial party committee urged that the localities where the reform work has been carried out conscientiously sum up experiences and ceaselessly improve the work, and the localities where the reform work has not been carried out yet carry out pilot reform at selected units and generally conduct reform next year. The provincial, prefectural (city), and county departments should streamline administrative procedures, delegate powers to lower levels, and support the reform of town and township systems. Simultaneously, we should strengthen the ranks of town and township cadres. While strengthening the functions of towns and townships, we should select and transfer a group of cadres directly from provincial, prefectural (city), and county party and government organs to backward and poverty-stricken villages. This practice should first be persisted in, and, secondly, be improved. The practice that the departments contract for the work of villages and dispatch cadres to villages is good, and should be continued.

Xing Chongzhi concluded: We should not only make efforts by ourselves; we also need the support and assistance of leading organs in order to have the grass-roots leading bodies successfully do several practical deeds. Viewing the current situation, we know that although leading organs at various levels have made improvements in this regard, their work is not satisfactory. Problems of the "three excesses" still exist at present. That is, there are excessive meetings and excessive parties to see off those who depart and welcome those who arrive, and the higher levels impose excessive restrictions on lower levels. If this situation is not changed, no one will have time to do practical deeds. So, we should be determined to solve the problems in this regard.

Lu Chuanzan, deputy secretary of the provincial party committee, presided over the meeting. [passage omitted]

Yue Qifeng, deputy secretary of the provincial party committee and governor of the province, delivered a report on the province's economic work at the meeting. [passage omitted]

Present at the meeting were some leading comrades, including Zhang Chao, Qu Weizhen, Bai Shi, Liu Ronghui, Chen Yujie, and Li Haifeng.

Northeast Region

He Zhukang Visits Fruit Production Exhibition

SK1010045389 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 8 Oct 89

[Text] This morning, after seeing all kinds of locally-produced fruits exhibited at the first provincial quality fruits exhibition and appraisal meeting and listening to briefings given by responsible persons of departments concerned on the province's fruit production, He Zhukang, secretary of the provincial party committee, pointed out: The fruit production situation in our province is very good. We should follow up this situation and advance forward to vigorously develop fruit production. We must have a comprehensive plan, serve the markets throughout the country, and do a good job in comprehensive processing and development.

Comrade He Zhukang said: To develop fruit production in our province, the first step we do is to consider the province's [words indistinct]. Although fruit production has been considered as the development of (?commodity production), it should also serve the unified markets of the whole country and should be prepared for entering the international market. Being a province in the north in particular, our province still has great potential for developing fruit production. We have conditions and capacity for turning it into a fruit production base in the northern part of the country. This requires the good work of departments concerned. It is hoped that governments at all levels and the departments concerned will maintain close coordination, make concerted efforts, and attend to the acceleration of fruit production as the important task of the rural economic development strategy.

He also pointed out: During the development of fruit production, we must make full use of barren hills and wastelands and always pay attention to economizing on arable land. In addition, we must do a good job in series of processing undertakings and improving the fruit quality.

Vice Provincial Governor Hui Liangyu, set forth specific demands on accelerating the province's locally-produced fruit industry, attending to reprocessing of fruits and popularizing fine fruit strains.

Huo Mingguang, Du Qinglin, Liu Xilin, and Ren Junjie, and other leaders also attended the first provincial quality fruit exhibition and appraisal meeting.

Quan Shuren Attends Fete Honoring Elderly

SK0910043289 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 8 Oct 89

[Text] The eighth of October marked the Double Ninth Festival which was the 9th day of the 9th lunar month and the province's second date for respecting the elderly. During the morning, the province, Shenyang City, and the Shenyang Military Region jointly held a meeting at the Liaoning Zhonghua Theater in Shenyang and the 1989 provincial and Shenyang City garden party for the elderly at the Zhongshan Park. Leaders and veteran comrades of the province, Shenyang City, and the Shenyang Military Region, including Quan Shuren, Li Changchun, Guo Feng, Huang Oudong, Dai Suli, Gao Zi, Wang Guangzhong, Xu Shaofu, Zhang Guoguang, Yang Guoping, (Wang Qingtao), (He Qingzhi), Luo Kunshan, and He Youfa, participated in a meeting to mark the day for the elderly together with the invited local and Army-retired veteran cadres, workers, models, and heroes and the elderly from all social quarters. Chen Suzhi, member of the Standing Committee of the provincial party committee and vice provincial governor, extended cordial regards to those veteran comrades at the meeting on behalf of the leading comrades of the province and Shenyang City and through them, to all old people throughout the province. Chen Suzhi said: The meaning of this year's date for respecting the elderly is very unusual because it is ushered in when we achieved decisive success in quelling the counterrevolutionary rebellion and during the happy occasion of the 40th anniversary of the founding of the country. When we celebrate this happy festive day, and review all historical victories gained by our party, we must remember that all these victories cannot be separated from the outstanding contributions of our veteran comrades.

Chen Suzhi continued: The trend of the aging of population is continuously developing in our province. The population of old people throughout the province is approaching 3.6 million, accounting for 9.6 percent of the total population. We should conscientiously implement and publicize the Liaoning provincial regulations for protecting the elderly, safeguarding their legal rights and interests, deeply carry out activities on respecting, cherishing, and providing for the aged, do good and solid things for them, and enable them to have someone to support them, to have something to do, to have people to rely on, to have something to learn, to have enjoyment, to live a happy life, and to spend their remaining years happily and peacefully.

After the meeting, the participating comrades went to the Zhongshan Park in Shenyang City to attend the varied and colorful activities together with the old people.

Quan Shuren Stresses Distribution of Party Organ

SK0810104689 Shenyang LIAONING RIBAO in Chinese
20 Sep 89 p 1

[Text] On the morning of 19 September, the provincial party committee and the provincial people's government sponsored a telephone conference to implement the guidance and speeches given by the leading comrades of the provincial party committee and the provincial people's government with regard to expanding the distribution of "LIAONING RIBAO," to implement the spirit of the No 9 document jointly issued by the general offices of the provincial party committee and the provincial people's government, and to make arrangements for increasing the subscription and distribution of "LIAONING RIBAO" in 1990.

Listening over the telephone to the guidelines of the conference were directors of propaganda departments at city and county levels, secretaries general (directors of offices) of city and county party committees and people's governments, directors of postal and telecommunications bureaus, and chief reporters of "LIAONING RIBAO" reporting stations in various localities. Participating in the telephone conference were leading comrades from the propaganda department under the provincial party committee, the "LIAONING RIBAO" office, and the postal and telecommunications bureaus of the province and Shenyang City.

Sun Deben, secretary general of the provincial people's government, presided over the conference at which, on behalf of the provincial party committee and the provincial people's government, Wang Chonglu, member of the provincial party Standing Committee and director of the propaganda department, delivered a speech to relay the comment and speeches given by the leading comrades of the provincial party committee and the provincial people's government with regard to expanding the distribution of "LIAONING RIBAO." In his speech, Sun Deben stated: The provincial party committee and the provincial people's government have always attached great importance on "LIAONING RIBAO," the organ of the provincial party committee. Early this year, members of the provincial party Standing Committee sponsored an on-the-spot official meeting at the "LIAONING RIBAO" office, at which they put forward specific guidance on the work of successfully running the party organ. Several leading comrades recently wrote again the specific comments on the distribution work of "LIAONING RIBAO." Quan Shuren, secretary of the provincial party committee, repeatedly pointed out that doing a good job in distributing "LIAONING RIBAO" represents the needs of enhancing the party's leadership, strengthening the ideological and political work, and of using the socialist ideology to occupy various fronts. Relaying the spirit of the CPC Central Committee and the provincial party committee among the masses through the reports of "LIAONING RIBAO" and having "LIAONING RIBAO" encourage the mass to implement the spirit represent an important work

method of the provincial party committee. Comrade Li Changchun stressed that "LIAONING RIBAO" is the organ of the provincial party committee and the provincial people's government and that efforts should be made to increase its distribution. He also pointed out that efforts should be made to study or improve the distribution methods undertaken by the postal and telecommunications front and to actively increase the number of subscription households. Comrade Wang Julu stressed that while doing a good job in distributing the newspaper, efforts should be made to uphold the correct political orientation and to upgrade the newspaper quality.

In his speech, Comrade Wang Chonglu made specific arrangements for the subscription and distribution work of "LIAONING RIBAO" in 1990. He stressed that leading comrades at all levels should discern that the success in running or utilizing the party's organ represents the needs to enhance the party's leadership and party building as well as of strengthening the ideological and political work and the building of spiritual civilization. He also stressed that it is imperative to attach importance to the distribution work of "LIAONING RIBAO." Under the circumstance of expense curtailment, we should pay great attention to seeking newspaper subscriptions among key units and institutions and first ensuring the subscription of the party's organ and periodical. Comrades in postal offices should adopt various measures to achieve success in the subscription work and to accelerate their delivery so as to have all subscribers read "LIAONING RIBAO" as soon as possible. Comrades in the newspaper office should enhance their sense of responsibility for society, do a good job in the guidance of public opinion, and further upgrade the newspaper quality so as to provide more and better nourishment for the minds of broad masses of readers.

On 11 September, the general offices of the provincial party committee and the provincial people's government issued a circular on the subscription work arrangement of "LIAONING RIBAO" for 1990, in which they urged the "LIAONING RIBAO" office to directly distribute its newspapers to sections and offices under organs, communities, and institutions; to sections, offices, workshops, work teams under industrial and mining enterprises and establishments; to the village committees and village-run enterprises of rural areas; to the departments, teaching research units, and classes of higher educational institutions; to the teaching research units of middle schools; to the party branches of primary schools; and to the units under guesthouses, hotels, and hostels. In the circular, they urged the departments concerned to cooperate with each other, to make concerted efforts, and to actively do a good job in distributing the province-run newspapers. Then, the propaganda department under the provincial party committee, jointly with the departments concerned, should conduct inspection and supervision over the work undertaken by various units in implementing the circular.

Enterprise Directors Forum Held 9 Sep*SK0810004889 Shenyang LIAONING RIBAO in Chinese
12 Sep 89 p 1*

[Excerpts] On 9 September, Chen Suzhi, vice provincial governor, announced at the provincial forum of plant directors (managers) of large and medium-sized enterprises, held by the provincial Structural Reform Committee, the provincial Association of Entrepreneurs, and the provincial Enterprise Management Association, that the contract system, the plant directors responsibility system, the reform policies, and the powers that the province has delegated to enterprises will remain unchanged. The practice of allowing enterprises to receive a certain amount of funds for social intercourse within the limits permitted by the government during their business contacts and the policies and regulations on allowing enterprises to implement sales contracts among supply and marketing workers will remain valid. [passage omitted]

Governor Li Changchun and Vice Governor Chen Suzhi gave important speeches on problems that enterprises are much concerned about. They emphatically pointed out: At present, there are many problems and difficulties facing our province's economy. To stabilize the economy and prevent an economic decline, we must stabilize enterprises in the first place. To ensure a steady economic growth, on one hand, we must look squarely at the difficulties existing in our economic work and actively adopt measures to solve them; on the other hand, we must further tap enterprise potential and strengthen their vitality. Invigorating large and medium-sized enterprises in particular is the key to stabilizing the economy. Only when enterprises are invigorated can we strengthen the ability of enterprises to cope with the external environment and to guarantee a steady economic growth. At present, our province's external environment for invigorating enterprises is not so relaxed, bringing great difficulties to the production and operation of enterprises. Therefore, all quarters should exert efforts to build an external environment for enterprises and create conditions for further invigorating enterprises. [passage omitted]

In referring to how to correctly understand opposing corruption bribe-taking, Chen Suzhi pointed out: The struggle to fight corruption and oppose bribe-taking is a major issue for guaranteeing that our party remains clean and honest and also concerns the fate of our party. All units, regardless of whether they are government organs or enterprises, should carry out this struggle. Persons who have problems, no matter who they are, should be dealt with. By no means should we deal with only plant directors and managers. All people are equal before the law. The anticorruption struggle is of great significance not only in politics but also in invigorating enterprises and creating an external environment for the production and operation of enterprises. However, enterprises are economic organizations and their production and operational activities are fairly complex. While handling

corruption problems in enterprises, we must guarantee not only the party's administrative honesty but must also promote enterprise production and operation as well as reform and opening up. We must strictly grasp the policy limit and reduce mistakes. [passage omitted]

Li Changchun pointed out: During the recent period, the social sector has many comments on enterprise managers. Some managers have ideological pressure. This is not necessary. Despite the people's comments, the party and government have fully affirmed the role of enterprise managers and have consistently held that most enterprise managers are good. This is the main trend. A small number of degenerates cannot represent all entrepreneurs. They are the scum of entrepreneurs and must be resolutely dealt with in line with the law. At present, the province's economic situation is grim and there are many difficulties. Enterprise managers should fully understand their own status in overcoming the province's current difficulties, try by all possible means to overcome them and push production forward. [passage omitted]

Responsible comrades of the provincial Structural Reform Committee, the provincial Department of Supervision, the provincial Procuratorate, the provincial Financial Department, the provincial Tax Bureau and the provincial departments concerned attended the forum.

Northwest Region**Foreign Aid Boosts Gansu Development***OW0810191889 Beijing XINHUA in English
1426 GMT 8 Oct 89*

[Text] Lanzhou, October 8 (XINHUA)—Gansu Province has signed contracts on 49 foreign-aided projects with international organizations and friendly countries, receiving 62.26 million U.S. dollars, since China instituted the open policy.

The organizations and countries which have offered aid to the poverty-ridden province in west China include Food and Agriculture Organization of the United Nations (FAO), the European Economic Community, the United Nations Fund for Population Activities, the United Nations Children's Fund, and Canada, Australia and Japan.

Some of the projects have been accomplished and achieved good social and economic results.

The water conservancy project aided by World Food Program in four arid counties has achieved the most prominent results—some 22,667 ha of dry land in this area have been turned into standard paddy field, and supply of drinking water for people and animals has also been guaranteed.

Scientific research projects account for a fairly large number of the foreign-aided projects, such as Gansu

Research Center for Melons, Development Center of Modern Irrigation Technics for Arid Area in West China, and Yuzhong County Solar Energy Base, which have greatly promoted the scientific development in the province.

The foreign aid projects also cover study of immunity for children and pre-school education and health care for perinatal period.

It is learned that Gansu Province will carry on new foreign-aided projects, including irrigation projects to help another two counties ensure food grain supply.

Xinjiang's Song Hanliang Stresses Party Building

*HK1110021189 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 10 Oct 89*

[Excerpts] Regional Party Committee Secretary Song Hanliang pointed out at the regional organization work conference that the party committees at all levels must assign party building the first place in their work and give it an important place on their agenda. They must devote every effort to grasping this work. [passage omitted]

He pointed out that the party organizations at all levels and the party members throughout the region, and especially the party's leading cadres, must enhance understanding and summon up determination to resolve the current urgent problems in party building and build our party well.

He pointed out that following the testing in the recent struggle, we must do very well in summing up the experiences and lessons in cadre work and appropriately resolve the problems in the building of the leadership groups. In selecting, promoting, and appointing cadres in the future, we must thoroughly and accurately implement the principle of four transformations of the cadre force. We must pay attention to the cadres' political stand, ideological qualities, leadership abilities, and work achievements, and guard against and correct tendencies to lay one-sided stress on age and academic qualifications. We cannot substitute the criterion of productive forces for the principle of ability and political integrity. We must guard against attaching much importance to ability and little to integrity.

Song Hanliang also pointed out that in stepping up the building of the leadership groups, it is necessary to strengthen the study of Marxism-Leninism-Mao Zedong Thought, strengthen collective leadership, seriously implement the party principle of democratic centralism, and strengthen the unity of the leadership groups at all levels.

Song Hanliang said: We must put the stress in party building on the grassroots party organizations. The central authorities have set down explicit regulations regarding the status and role of the grassroots party organizations, especially in the enterprises, tertiary education institutes, and rural townships and towns. We must resolutely implement these regulations.

Song Hanliang pointed out that it is necessary to eliminate negative and corrupt phenomena and strive to revive and carry forward the party's three great work styles and the fine tradition of self-reliance and arduous struggle, so as to restore and indeed rebuild the party's lofty image among the masses. This is the lofty responsibility of the party organizations and the party members. In the current struggle against corruption, we must concentrate forces to get a good grasp of investigating and dealing with serious violations of law and discipline, with the stress on major cases of graft, embezzlement, and so on. [passage omitted]

Shaanxi Industrial Situation Improves

*HK1110104689 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 11 Oct 89*

[Excerpts] According to statistics compiled by the provincial statistical bureau, the gross industrial output value of our province in September amounted to 2.267 billion yuan, an increase of 7.4 percent over the previous month, and the province's gross industrial output value in the three quarters of the year totalled 19.89 billion yuan, a rise of 10.6 percent over the same period of the previous year, and making up 73.7 percent of the annual plan. [passage omitted]

The statistics also show an increase in effective market supply. Out of 83 kinds of major manufactured goods, 55 of which included colored televisions, refrigerators, chemical fibers, [words indistinct], raw coal, electricity, and plate glass in the past 9 months all had higher production rates than those of the same period of last year.

PRC Media on Taiwan Affairs

Taiwan Accused of Buying Diplomatic Recognition

HK1110102089 Hong Kong AFP in English
1016 GMT 11 Oct 89

[Text] Beijing, Oct 11 (AFP)—China Wednesday accused Taiwan of buying the diplomatic recognition of certain countries, an official editorial said in an apparent reference to Taipei's new ties with Monrovia.

"Under the cover of cultural, economic, commercial and scientific exchanges, Taiwan entices people with money with the aim of developing official relations with certain countries," said the official PEOPLE'S DAILY.

The daily, the official voice of the Communist Party and the government, said it was convinced the "overwhelming majority of states which have established diplomatic relations with us will disagree with such a short-sighted policy."

The daily said the eventual reunification of China with Taiwan, Macau and Hong Kong under the sovereignty of the People's Republic of China was inescapable.

"Whoever goes against such a process will be condemned by our nation and disavowed by history," it said.

The daily defended China's move Tuesday to break diplomatic relations with Liberia, one day after the West African nation had reestablished official ties with Taiwan.

Most African diplomats contacted here said that because of Taiwan's new "economic diplomacy," they understood Monrovia's decision.

One African diplomat said Tuesday that Liberia had received 140 million dollars in aid from Taiwan last year while China had granted the African country 20 million dollars in aid over 12 years.

With foreign reserves totalling 74 billion dollars, Taiwan has backed up its diplomatic offensive in recent years by giving aid and grants to developing countries, experts here said.

Beijing insists that all nations it maintains diplomatic relations with break with Taipei. Both governments claim to be the legitimate representatives of the Chinese people.

Academic on Mainland-Taiwan Economic Cooperation

HK1210062189 Beijing ZHONGGUO XINWEN SHE
in Chinese 0352 GMT 11 Oct 89

[Report: "Professor Fang Sheng on Economic Cooperation Between Mainland and Taiwan"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 11 Oct (ZHONGGUO XINWEN SHE)—Fang Sheng, economics professor at China People's

University and council member of Taiwan Research Society, said that the view held by many people at home and abroad, including Hong Kong and Taiwan, on establishing a relationship of economic cooperation between the Chinese mainland and Taiwan goes with regionalized development of the world economy. If a powerful economic association develops between both sides of the strait, it will play a bigger role in the world economy, especially the economy in the Pacific region.

Professor Fang Sheng expounded his view on economic cooperation between the mainland and Taiwan at a symposium on "Relations Between Both Sides of the Strait in the Past 40 Years," which was sponsored by ZHONGGUO XINWEN SHE.

Mr Fang said: Regionalization of the world economy is a necessary development of the internationalization of production and the division of labor and cooperation among various regions. If the planned regional economic associations can come to pass, the countries and regions which account for a major portion of the world's GNP will join various forms of regional economic organizations. Therefore, the view on establishing a relationship of economic cooperation between the mainland and Taiwan is by no means an accidental proposal. He pointed out, however, that this economic cooperation is different from other regional economic associations in that: 1) it happens only between the different regions of a country; 2) it happens only between the different social systems of different regions in a country; and 3) it is mainly an economic and trade relationship between various socioeconomic organizations, enterprise groups, and individuals set up through contacts and consultations.

He said: The achievements of the Taiwan economy are evident to all. But Taiwan lacks natural resources, has a small domestic market, depends heavily on foreign trade, and, despite an excessive surplus in foreign exchange, shows little propensity to invest. It has a small labor force and, with rising wages and cost, its labor-intensive enterprises have lost their previous advantages. Over the past decade, the mainland economy has developed rapidly, and its economic strength, as well as scientific and technological level, have grown and improved substantially. However, it is short of construction funds, its rich natural and labor resources are yet to be exploited, and its vast market is yet to be developed. Its backward economic management cannot meet by far the needs of a modernization program and it lacks experience in foreign economic relations and trade. It knows little about international market trends, world economic data, and foreign sales channels. It urgently needs to rationalize and upgrade its economic structure. In terms of economy, technology, and market, each side has advantages and disadvantages. The significance of establishing economic cooperation lies in strengthening economic links, learning from each other's strong points to offset weaknesses, giving play to one's own advantages, developing social productive forces, improving the

people's living standards, and playing a bigger role in the world economy, especially in the economy of the Pacific region.

The economics professor, who studied at the Agroecological Department of the Institute of Agriculture of Taiwan University in the 1940's, said: For a long time the mainland and Taiwan have developed their own foreign economic relations and trade and separately joined in some international division of labor and cooperation. After establishing economic relations, the two places should continuously preserve and develop them.

He said: In establishing economic cooperation, the two sides should not copy the practice of the European Community and the U.S.-Canadian Agreement by working for the establishment of a common market or a unified market. But it is feasible to abolish restrictions and give preferential treatments in taxation and some other aspects and to provide conveniences and preferential treatment in investment. The problem is that the current practice of indirectly conducting trade between the mainland and Taiwan through Hong Kong should be changed as quickly as possible. Given that the Taiwan

authorities still uphold the "three no's" policy and are opposed to the "three exchanges," we can create conditions for this by bringing into full play the role of Hong Kong as a bridge. To coordinate the economic relations between both sides, a nongovernmental organization formed by the representatives of both sides, which is similar to the Mainland-Hong Kong-Taiwan trade promotion association, may be set up in Hong Kong to carry out work and organize mutual visits and exchanges by experts, academics, and people from economic circles. We can also run an economic-type newspaper or magazine, to be sold on both sides of the strait, briefing each other on the other's economic conditions, investment environments, and economic statutes, as well as exchanging experiences and information. We can also hold relevant symposiums. Professor Fang Sheng pointed out: The economic cooperation developed on the basis of common economic interests between both sides of the strait is not a political association, still less does it call for changes in each other's political and economic systems. But it should neither be denied that it does have political implications, for economic cooperation will surely help promote political reunification.

Government, Belize Establish Full Diplomatic Ties**Ambassador-Level Ties Begin 11 Oct**

OW1310173789 Taipei CNA in English
0703 GMT 13 Oct 89

[Text] Taipei, Oct. 13 (CNA)—The Republic of China [ROC] and Belize jointly announced Friday that they have decided to establish full diplomatic relations.

The ROC's special envoy, I-cheng Loh, who is now ROC ambassador in Guatemala, and Belize Foreign Minister Said Musa signed a joint communique in Belize capital of Belmopan on the establishment of diplomatic ties, a Foreign Ministry spokesman said.

The communique said the two governments decided to set up relations at the ambassadorial level as of Oct. 11, 1989, "For the purpose of strengthening ties of friendship and cooperation between their countries in conformity with the principles of international law and in particular, those principles relating to the equality of states, mutual respect for sovereignty and mutual benefit."

Belize, located west of the Caribbean Sea and bordering on Guatemala in the west, has a territory of 22,963 square kilometers and a population of 200,000.

This is the third nation to establish diplomatic ties with the ROC during the past three months. The other two are Grenada and Liberia. Belize thus becomes the 26th nation to have full diplomatic relations with the ROC.

Mainland Protest Expected

OW1410195889 Taipei Domestic Service in Mandarin
2300 GMT 13 Oct 89

[Text] Lu I-cheng, the ambassador of our country to Guatemala, said this morning: Since our country established diplomatic relations with Belize, the Belize Government is expecting the Chinese Communists to protest. However, there has been no reaction so far.

During an interview with a reporter from the China Broadcasting Corporation this morning, Ambassador Lu I-cheng said: [Begin recording] There will surely be some reaction. At lunchtime today, I asked Belize's vice foreign minister whether the Chinese Ambassador had lodged any protest, and he said: We are expecting him any moment now. He thinks that his government will receive the protest soon. However, as of 1100 today [13 October], or 6 hours ago, they hadn't received any protest. The Belize National Assembly was in session today, during which the government had a long debate with the opposition party after the latter criticized the new diplomatic relations. Newspapers there reported the event, but so far we have not seen any special commentaries on it. [end recording]

In the last 3 months, our country has successively established diplomatic relations with Grenada, Liberia, and Central America's Belize. President Li Teng-hui is

quite satisfied and pleased with such diplomatic achievements. President Li has also disclosed that many other countries are expected to establish formal diplomatic relations with our country in the near future.

The Governments of the Republic of China and Belize announced simultaneously at 0200 time yesterday [12 October] the establishment of ambassadorial-level diplomatic relations between the two countries. This is the third major diplomatic breakthrough following our recent establishment and restoration of diplomatic relations with Grenada and Liberia.

According to a Foreign Ministry official, our country will set up an embassy in Belize soon and will assign a charge d'affaires to take charge of the embassy business there so as to consolidate the new diplomatic (position). According to the Foreign Ministry official, an ambassador has not yet been considered for Belize.

Premier Li Huan has pointed out: We have established diplomatic relations with the Republic of Belize. Belize is an independent country which has the power to determine its own policy. We should not make any comments on Belize policy.

According to an AFP report from Peking, the Chinese Communists are ready to sever diplomatic relations with Belize after the establishment of diplomatic relations between Belize and the Republic of China. Although they have not yet announced the decision, both Chinese Communist officials and Western officials say that the severance of diplomatic relations between the Chinese Communists and Belize is no doubt unavoidable.

Foreign Minister Lien Chan said that after the 84th session of the Legislative Yuan is over, he will go to visit Belize and other Central and South American nations.

Ties With More Nations Sought

OW1410184689 Taipei CNA in English
0526 GMT 14 Oct 89

[Text] Taipei, Oct. 14 (CNA)—The Republic of China [ROC] Government expects more victories on the diplomatic front before the end of this year. Vice Foreign Minister John H. Chang said Saturday.

Representatives of the Republic of China abroad are trying to test the responses of nations in Central and South America, Oceania, and Africa to the proposal for formal diplomatic relations with the ROC. Chang told local reporters.

The ROC has achieved a series of breakthroughs in foreign relations recently by establishing diplomatic ties with Grenada, Liberia, and Belize in four months.

Minister Lien Comments

OW1410043789 Taipei Domestic Service in Mandarin
2300 GMT 12 Oct 89

[Text] The Governments of the Republic of China [ROC] and Belize simultaneously declared the establishment of ambassador-level complete diplomatic relations between the two countries at 0200 Taipei time today. This is the third important diplomatic offensive after the recent establishment and resumption of diplomatic relations with Grenada and Liberia respectively. In our program today, we are conducting a special, live telephone interview with Minister Lien Chan.

[Begin recording] [Female announcer] Minister, congratulations to you for another piece of good news in the early hours of today. Could you please explain the process involved in our establishment of diplomatic relations with Belize?

[Lien] We jointly declared establishment of diplomatic relations at 0200 Taipei time today, that is, 1200 Belize time on 12 October. Belize is a country in Central America. It was a British colony for many years. It has maintained contacts with us in many areas since its independence in 1981. However, for several reasons, we were not able to immediately establish diplomatic relations.

After Belize established diplomatic relations with the Chinese Communists in 1987, we continued to keep in touch with the personalities concerned there. Early this year, the secretary general of its People's United Party came to the ROC at my invitation. His name is Mr Musa. At that time, we learned that Belize will hold elections at the end of the year. We mutually agreed that our two countries will establish diplomatic relations if his party wins in the elections.

We know that the People's United Party won in the recent general elections in Belize and that Mr Musa became the foreign minister. So we immediately began negotiations on matters related to the establishment of diplomatic relations. I asked Ambassador Loh stationed in Guatemala to contact him. We declared the establishment of formal diplomatic relations in the early hours of today after reaching agreement.

[Announcer] Do the Chinese Communists maintain diplomatic relations with Belize?

[Lien] They have formal diplomatic relations. Simply put, the ROC and Belize, two sovereign states, made a bilateral decision.

[Announcer] What are the prospects of our country's diplomacy in Central America after the establishment of diplomatic relations with Belize?

[Lien] I think we have many friendly countries in Central America and the Caribbean Sea. After the establishment of diplomatic relations with Belize today, we have another new friendly country in that region. In the

future, we should double our efforts to promote bilateral relations with our friendly countries there.

[Announcer] We have scored diplomatic victories one after another recently. Right after we resumed diplomatic relations with Liberia, we again establish diplomatic relations with Belize. I wonder what the next target will be.

[Lien] Ha, ha. We will have to keep up our efforts.

[Announcer] Thank you for accepting our interview.

[Lien] You are welcome.

[Announcer] Thank you. Good-bye. [end recording]

Lien Plans Belize Visit

OW1310230689 Taipei CNA in English
1549 GMT 13 Oct 89

[Text] Taipei, Oct. 13 (CNA)—Foreign Minister Lien Chan announced Friday that he will visit Belize, the third nation to establish diplomatic relations with the Republic of China [ROC] in three months.

Lien would not specify a date for his visit but said that the scheduling of the trip would not be influenced by the Dec. 2 general elections here.

The Republic of China and Belize simultaneously announced early Friday morning the establishment of diplomatic links, an announcement which has boosted to 26 the number of countries maintaining official ties with the ROC.

Lien said that the Foreign Ministry would send a charge d'affaires to that Caribbean country before a yet-to-be-named ambassador flies there to assume his duties.

Lien noted that since both the ROC and Belize are sovereign states, their diplomatic moves will never be influenced by any other "external force," a reference to possible threats from the Chinese Communist regime.

The Peking regime's mouthpiece has bitterly attacked the ROC's diplomatic offensive, charging that the ROC has been trying to create "two Chinas."

Belize currently recognizes both Taipei and Peking. The Chinese Communist regime's response to the new move was not available as of press time. However, Peking severed its diplomatic relations with both Liberia and Grenada, the other two countries that have recently established official links with the ROC.

Premier Li Huan, when asked about Belize's foreign policy, replied that he was in no position to comment on another country's national policy. "It is a decision made by a sovereign state," Li said.

Li made his remarks Friday afternoon while officiating at a military ceremony marking the departure of Liberian Vice President Harry Moniba, who headed a special delegation to the Republic of China to witness the

signing of a joint communique that established diplomatic ties between Liberia and the ROC.

Earlier in the day at the Legislative Yuan, Li shrugged off threats from the Peking regime. "The Republic of China will not be forced to revise its current foreign policy because of the Chinese Communists' threat."

Meanwhile, Vice Economics Minister Wang Chien-shien told the press that his ministry would aid Liberia, Belize and Grenada through the international economic cooperation development fund.

Concurrently the fund's executive secretary, Wang disputed the claim of some critics that the government of the Republic of China was using money to "buy" diplomatic recognition.

The Republic of China on Taiwan and Belize have been trade partners for years. Belize imported 8.7 million U.S. dollars worth of products from Taiwan in 1988, mainly industrial items and machinery, while it exported 80 million U.S. dollars worth of goods to Taiwan including lumber, sugar and vegetables.

Officials View Resumption of Ties With Liberia

Premier on Liberia's Decision

*OW1410041889 Taipei Domestic Service in Mandarin
2300 GMT 12 Oct 89*

[Text] Executive Yuan President Li Huan has said that the outstanding economic achievements and the progress of political democratization in our country are two factors that contributed to the resumption of diplomatic relations between Liberia and our country.

At a meeting of the Executive Yuan, Premier Li said: When reporting on the resumption of Sino-Liberian diplomatic relations, the mass media tends to focus on our country's economic assistance to that country. In fact, Liberia's strong aversion to the Chinese Communist despotic regime following the Tiananmen incident on 4 June, coupled with our country's achievements in political democratization, were additional factors that facilitated the resumption of Sino-Liberian diplomatic relations.

Foreign Minister on Diplomatic Policy

*OW1210111689 Taipei International Service
in English 0200 GMT 12 Oct 89*

[Text] Peking accused the ROC [Republic of China] on Wednesday of using silver bullet diplomacy to buy friends. The statement came 1 day after Communist China cut ties with Liberia for recognizing the Republic of China. The communist mouthpiece, the PEOPLE'S DAILY, said the ROC is pursuing a two-China policy that would never succeed. The commentary said the ROC is aggressively trying to develop official ties with a number of states.

ROC officials here over the past few days have played up the importance of the ROC's new diplomatic policy, climaxing in the reestablishing of relations with Liberia last week. The ROC foreign minister, Lien Chan, said that the ROC is a sovereign country and has the right to establish full diplomatic relations with any nation it wishes. Lien said it is the ROC's established policy to explore greater foreign relations with friendly nations.

Western diplomats said Peking, politically powerful but poor and backward economically, has been frustrated by its inability to outbid the wealthy ROC in offering aid to developing countries.

In a move that diplomats said was a conciliatory gesture to the ROC, Peking has published its first history of the Kuomintang, the ROC's ruling party, admitting it has made contributions to Chinese history.

Economic Minister on Foreign Aid

*OW0810203389 Taipei Domestic Service in Mandarin
2300 GMT 4 Oct 89*

[Text] According to Economic Minister Chen Lu-an: Economic aid to African, Southeast Asian, and Central and Latin American countries, which comes from our country's fund for economic cooperation with foreign countries, is not gratuitous as reported by foreign media. In fact, the country's economic strength still does not allow us to give free-of-charge aid. The fund, which stands at NT\$5.7 billion at the present, will be used to assist African, Central and Latin American, and Southeast Asian countries to build super highways, reservoirs, ports, and industrial zones under special projects.

Moniba Visits Southern Region

*OW1310002189 Taipei CNA in English
1620 GMT 12 Oct 89*

[Text] Kaohsiung, southern Taiwan, Oct. 12 (CNA)—Liberian Vice President Harry Moniba visited economic institutions in southern Taiwan Thursday.

Moniba, head of a special delegation to the Republic of China, [ROC] arrived last week to observe the signing of a joint communique establishing full diplomatic relations between the two countries. While here, the delegation also attended activities marking the ROC's "Double Ten" National Day on Oct. 10.

Moniba and his entourage arrived at the Nantze Export Processing Zone in the company of Vice Foreign Minister John H. Chang.

The Liberian Vice President heard a special briefing and then asked questions concerning the zone's development, environmental protection record, and labor disputes.

From the zone, Moniba proceeded on to the China Shipbuilding Corporation (CSBC), which has one of the world's largest shipyards.

In a briefing there, CSBC President Yeh Man-sheng told his visitors that the state-run corporation, hard hit by slack international shipping, is now looking up. It is now inundated with so many orders that production lines can be kept busy to the end of 1990, Yeh reported.

Later Moniba drove to the nearby China Steel Corporation. Chairman King Mou-hui said that his steel mill, now seeking to invest overseas, would like to study the feasibility of a joint venture with Liberia.

Medical Mission Planned

OW1210013089 Taipei CNA in English
1456 GMT 11 Oct 89

[Text] Taipei, Oct. 11 (CNA)—A 10-member medical team from the Republic of China [ROC] will fly to Liberia soon to help upgrade the medical standards of the West African nation.

The agreement was reached Wednesday afternoon after talks between Shih Chun-jen, director general of the National Health Administration, and Liberian Health and Social Welfare Minister Martha Sendolo-Belleh.

The medical experts, according to Shih, will include an acupuncturist, and nine physicians, surgeons, pediatricists, and gynecologists from the Veterans General Hospital and the tri-service General Hospital.

The 10 will stay in Liberia for 3 months before they are replaced by a second medical team, Shih said.

Minister Sendolo-Belleh told the press that she was gratified at the sincerity and friendship the Republic of China has shown to her country by speedily organizing the team.

The Chinese Communist regime has sent a medical group to Liberia but it will leave soon following last week's resumption of diplomatic relations between Taipei and Monrovia.

An agricultural cooperative agreement was also reached between the two countries Wednesday.

Details of the agreement have not yet been worked out, but a Council of Agriculture official said that it has been tentatively decided that the ROC will assemble 20 agricultural experts to Liberia at a later date.

Commentary on PRC Reaction

OW1410224889 Taipei International Service
in English 0200 GMT 13 Oct 89

[Commentary by Joanna Fu: "Peking Lashes Out at Liberia and ROC"]

[Text] The Chinese Communist regime in Peking wasted no venom in a seething attack on the West African nation of Liberia and the Republic of China [ROC] on

Taiwan for establishing diplomatic relations last week. Peking announced it was cutting relations with Liberia in protest.

Liberia became the second developing nation in 4 months to extend official recognition to the Republic of China on Taiwan. Previously, Grenada did the same, and as in current fashion, Peking cut relations with Grenada after raising a major stink.

Peking lashed out at Liberia for following what Peking calls a two-China policy. The Chinese Communists said they could not but break relations with a country that does not respect Communist China's position on the question of Chinese sovereignty.

Peking saved its most venomous attack for the ROC on Taiwan. In a front page article in the Communist Party mouthpiece, the PEOPLE'S DAILY, the Chinese communists said that Taipei was engaging in a silver bullet diplomacy.

This was described as the attempt to influence other countries with offers of financial and developmental aid. Peking said the policy amounted to a two-Chinas effort that would definitely fail.

As usual, however, that view makes little sense, and only shows the true color of the Chinese Communist regime.

Since President Li Teng-hui took office in January 1988, the ROC on Taiwan has tried to break its decades-old diplomatic isolation by implementing a more pragmatic policy in seeking friends in the international community.

In the past, Taipei broke relations with any nation that recognized Peking. This eventually left Taipei with official recognition by only 20-odd countries. To arrest that trend, Taipei decided to seek relations with any countries whether they recognize Peking or not.

So far, the pragmatic diplomacy has resulted in two victories, with several more on the burners. In the developing world, many countries would rather trade official relations with Peking for more constructive relations with Taipei.

For Taipei, it is a matter of simply accepting the existing, and hopefully temporary reality that other nations may have to recognize Peking. Meantime, since Taipei does not recognize the Chinese Communist regime, Taipei does not care how foreigners view Communist China.

For developing nations, the promise of financial aid goes a lot further than Peking's empty claims to leadership in the so-called Third World. More and more lesser-developed nations are reaching out to Taipei for help and are going to switch recognition in exchange for it.

Naturally, Peking does not like the new trend. By calling Taipei's pragmatic, aid-for-recognition policy a silver bullet, Peking merely demonstrates that its priorities are still reversed. To responsible lesser-developed nations, development comes first, international politics second.

That is a lesson that the bankrupt, impoverished, and hopeless Chinese Communist regime never seems to learn. Liberia is the latest lesson.

Government Allows Entry of 6 Mainland Dissidents

*OW1410154689 Taipei CHINA POST in English
8 Oct 89 p 8*

[Text] The Bureau of Entry and Exit has approved the entry of six Mainland Chinese dissidents who face persecution for supporting the mainland's pro-democracy movement.

The bureau said it will secretly transport the six from Hong Kong to Taiwan. The names of the dissidents will not be disclosed until they have left Hong Kong for fear of endangering their safety, the bureau said.

The applications for asylum by 60 other dissidents will be screened next week, the bureau added.

The Free China Relief Association said it will help mainland dissidents who have failed to obtain political asylum in Taiwan to seek refuge in a third country.

In a statement last week, the bureau said mainland democracy movement activists may leave Taiwan after they have lived here for a period of time.

Hundreds of pro-democracy activists fled the mainland following the bloody June 3-4 massacre on Tienanment Square. About 70 of them made it only as far as Hong Kong.

When Taipei made no response to their asylum plea, the Hong Kong government rounded up many of them pending repatriation to the mainland.

Although Hong Kong has the right to send refugees to a third country, it is required by 1982 treaty with Peking to return mainland refugees to the mainland.

Hong Kong press said Taipei is reluctant to accept the dissidents because the Kuomintang does not want to

further irritate Peking after rendering staunch moral and financial support to the student dissidents.

FRG City Council Delegation Arrives 8 Oct

*OW0810201089 Taipei CNA in English
1522 GMT 8 Oct 89*

[Text] Taipei, Oct. 8 (CNA)—A six-member delegation of Hamburg City Council of the Federation [as received] Republic of Germany, led by Dr. Leonhard Hajen, vice chairman of the Social Democratic Party group of the city council, will arrive in Taipei Monday for a six-day visit.

During its visit, the delegation will call on Vice Foreign Minister Chen Chien-jen, Speaker Chen Chien-chih of the Taipei City Council, Director General Sheu Kesheng of the Board of Foreign Trade, Secretary General Wellington Y. Tsao of the Euro-Asia Trade Organization, and Director Juergen Franzen of the German Trade Office in Taipei. The delegation will also visit the cultural and economic institutions of the Republic of China and is scheduled to depart from Taipei on Oct. 14.

Government Approves Four New Ministries

*OW1410170989 Taipei CNA in English
1606 GMT 14 Oct 89*

[Text] Taipei, Oct. 14 (CNA)—The Legislative Yuan's Organic Laws Committee passed a resolution Saturday, approving the establishment of four new ministries in the Executive Yuan.

With the four new ministries—those of social welfare, culture, agriculture and labor—the total number of ministries will be increased to 12 from the current eight.

Screening the proposed amendment of the law on the Executive Yuan's organization, the committee also decided to set up a sports commission.

The committee further resolved to increase the number of ministers without portfolio from 7-9 in the current cabinet organization law to 9-11 in order to meet practical needs.

Hong Kong

Judicial Officials Attend Basic Law Forum

HK1010071189 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 40, 2 Oct 89 pp 6-7

[Article by Shen Dan (3088 2481): "People of Jurisprudence and Legal Circles in the Capital Take Part in Forum on the Hong Kong Basic Law (Draft)"]

[Text] On 22 September, more than 30 famous people who are engaged in the study of jurisprudential theory and are responsible for the work in the central judicial departments in the capital met at Wanshou Guesthouse and held a forum on the Draft Basic Law of the Hong Kong Special Administrative Region [SAR].

The forum was chaired by the President of China's Law Society Wang Zhongfang. Eight members of the Basic Law Drafting Committee including the Secretary-general of the Basic Law Drafting Committee Li Hou, the Deputy Secretary-general of the Basic Law Drafting Committee Lu Ping, the 90-year-old Honorary President of China's Law Society Zhong Youyu attended the forum and listened to the views and proposals.

At the forum, people took the floor one after another. They were basically satisfied with all the chapters and articles in the draft Basic Law, holding that the present draft Basic Law is more rational and perfect than the Basic Law for Solicitation of Opinions issued in April 1988.

Those who were engaged in drafting the 1982 Constitution said that the idea of "one country, two systems" was put forward by Comrade Deng Xiaoping; Article 31 of the Constitution, "The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress [NPC] in light of the specific condition," was also put forward by Comrade Deng Xiaoping. They pointed out that, generally speaking, the People's Republic of China was socialist in nature, but exception is permissible. The stipulation in Article 31 was precisely an exception. This is allowed in the legal system and is called a "proviso" in the theory of law. Thus, once the Basic Law of the Hong Kong SAR, which has been drafted in accordance with the Constitution, is passed and promulgated by the NPC, it will mean that we have followed the stipulations of the Constitution and that it is both rational and legitimate.

The responsible person of the Legal System Bureau of the Central Military Commission and others pointed out: After China regains its sovereignty over Hong Kong in 1997, it is natural for the People's Liberation Army [PLA] to enter and garrison in Hong Kong, and this has been clearly stipulated in the Sino-British Joint Declaration. The Chinese PLA has the task of defending the motherland's border (including land, sea, and air defense). This is both a symbol of sovereignty and a guarantee for Hong Kong's continued prosperity and

stability. The number of the troops entering and garrisoning in Hong Kong and the place where they will quarter come within the scope of China's sovereignty. In addition, it is also a matter of course that the NPC Standing Committee has the right to decide when the Hong Kong SAR will be in the state of emergency if uncontrollable turmoil occurs in the SAR. The power to make this decision can only belong to the central authorities. This is because the function of the future chief executive of the SAR is different from that of the present Hong Kong governor. The chief executive shall be the head of the SAR and shall be accountable to the Central People's Government, but shall not represent the central authorities. The Governor, on the other hand, is the queen's plenipotentiary in Hong Kong; has the highest power in executive and legislative matters, and is the titular commander-in-chief; and thus he can decide, on behalf of the British Government, when Hong Kong will be in the state of emergency. The future chief executive will not be able to do so. In case turmoil which endangers the state security and unification occurs in the SAR, and which is not under the control of the local government, it will be difficult to clear up the situation if the central authorities do have the power to adopt resolute measures to decide when the SAR will be in the state of emergency. Certainly, the conditions under which the SAR will be in a state of emergency can be written specifically in the articles.

Many speakers held that the stipulations on the right of judicial jurisdiction, the power to interpret, and the power to amend stipulated in the draft Basic Law take into consideration not only "one country," but also "two systems." It is stipulated in Article 67 of the Constitution that the right to interpret statutes belongs to the NPC Standing Committee. Considering Hong Kong's special conditions, the draft Basic Law stipulates that the NPC Standing Committee authorizes the Hong Kong SAR courts of law to interpret, by themselves, the articles in the Basic Law within the scope of autonomy of the SAR when the courts are hearing cases. However, when it is necessary, in the course of hearing a case for the courts to interpret the articles in the Basic Law concerning the affairs managed by the central authorities and the relationship between the central authorities and the SAR, and the interpretation of such articles will affect the adjudication of the case, the courts should also ask the NPC Standing Committee to give an interpretation before the courts make a final adjudication without the right of appeal on the case.

Some speakers held that the stipulations in the Basic Law on the power to make amendments on the Basic Law is aimed at maintaining the stability of the Basic Law as much as possible after the Basic Law is issued. Therefore, the procedures concerning the amendments should be stipulated in a stricter way.

According to the Rules of Organization of the NPC, nine units can put forward proposals to the NPC. According to the stipulations of the draft Basic Law, only three aspects have the power to put forward proposals to

amend the Hong Kong SAR Basic Law, and so the restrictions are greater. Regarding the power to put forward proposals, the right of the deputies to the People's Congress of the Hong Kong SAR to put forward proposals should no longer be deprived.

The participants also studied the proposal concerning establishing the Hong Kong SAR Basic Law Committee of the NPC Standing Committee, which had been put forward by the Drafting Committee. The participants held that the Basic Law Committee, as a working organ under the NPC Standing Committee, has a proper status. The Basic Law Committee should not be an arbitration or semi-judicial institution, placing itself above the NPC Standing Committee, which is the highest organ of power. The relationship between the central authorities and the SAR is not what some people have mistakenly understood as an equal or bilateral relationship between "China and Hong Kong."

The jurisprudential experts and the responsible persons of the judicial departments said: The Basic Law of the Hong Kong SAR is a solemn national law. The 5.5 million Hong Kong compatriots are certainly very concerned about its formulation. The 1.1 billion people on the mainland should also show concern for it, hoping that all chapters, sections, and annexes will conform to the principle of "one country, two systems" and the series of principles and policies toward Hong Kong which are elaborated in the Sino-British Joint Declaration by the Chinese Government.

Law Drafting Committee Hears NPC Views

Non-Interference Stressed

HK1210015789 Hong Kong SOUTH CHINA MORNING POST in English 12 Oct 89 p 5

[By Chris Yeung]

[Text] The Basic Law should state that Hong Kong after 1997 should not interfere with the socialist system on the mainland, according to leaders of China's democratic parties.

The heads of democratic and non-communist parties told a Basic Law consultative session in Beijing that the post-1997 political system in Hong Kong should not be aimed at developing a regime that confronted China.

The meeting, chaired by the vice-minister of the Communist Party's United Front Works Department, Ms Wan Shaofang, was attended by key mainland drafters including vice-chairman Mr Wang Hanbin, Ms Lei Jie-qiong, Mr Xiao Weiyun, Mr Wu Jianfan, Mr Xu Chongde, Mr Li Hou and Mr Lu Ping.

According to the CHINA NEWS SERVICE, most of the 60 or so members who spoke were dissatisfied with the present draft.

They said the Basic Law must stick to the principle of "having two systems under the leadership of one country".

"Given the incident during the summer (the June 4 massacre in Beijing), some members said the Basic Law should stipulate that while the territory should be allowed to keep its capitalist system intact for 50 years, any interference with the socialist system on the mainland should be prohibited," they said.

"There will not be, and (we) will not allow, any political development which will create a regime in the Special Administrative Region (SAR) that is confrontational to the central Government."

The non-communist parties included the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, Chinese Peasants and Workers Democratic Party, the China Zhi Gong Dang, the Jiusan Society, the Taiwan Democratic Self-Government League and the All-China Federation of Trade and Commerce.

A Basic Law Consultative Committee executive member, Mr Denis Chang Khen-lee, said yesterday that Hong Kong people would be more fearful about their future if such ambiguous provisions were written into the Basic Law.

"What's interference? It's not a scientific concept. It's going to create more problems because people will be afraid that whatever they do after 1997 could be interpreted as interference," he said.

"It's even worse than the original provisions in the first draft."

Mr Chang, also a former Bar Association chairman, said Article 23 of the present draft already provided for the SAR to enact laws "to prohibit any act of treason, secession, sedition or theft of state secrets".

He said: "Such a vague provision is entirely unnecessary. It will affect confidence."

NPC Slams Proposals on Troops

HK1510022489 Beijing ZHONGGUO XINWEN SHE in Chinese 1457 GMT 14 Oct 89

[Text] Beijing, 14 Oct (ZHONGGUO XINWEN SHE)—The Secretariat of the Hong Kong Basic Law Drafting Committee [BLDC] held a forum today to listen to the views of members of the National People's Congress [NPC] Standing Committee, Legal Committee, and Foreign Affairs Committee, who are in Beijing, regarding the Basic Law (draft) of the Hong Kong Special Administrative Region [SAR].

Wang Hanbin, vice chairman of the NPC Standing Committee and vice chairman of the BLDC, presided at the forum. Li Hou, director of the BLDC Secretariat and deputy director of the Hong Kong and Macao Affairs

Office of the State Council, explained the progress in soliciting views on the Basic Law (draft). Lei Jieqiong, member of the BLDC and vice chairman of the NPC Standing Committee; Lu Ping, deputy director of the Hong Kong and Macao Affairs Office of the State Council, and others attended the meeting and listened to the views expressed.

The participants all held that the Basic Law (draft) expressed in legal form the concept of "one country, two systems"; it embodies the return to China of sovereignty over Hong Kong and also takes account of Hong Kong's history and present situation, and accords with reality. As a result of the common efforts of the BLDC and people of Hong Kong and the interior over the past 4 and more years, the Basic Law (draft) is now relatively comprehensive and complete.

The members pointed out in their speeches that very great amendments have been made to the Basic Law (draft) on the basis of the solicitation of views. When the NPC announced the solicitation of views last February, the response from all sectors in Hong Kong was generally good, especially on the clauses regarding the relationship between the central authorities and the SAR. However, after "4 June," certain people proposed that there should be no troops stationed in Hong Kong, or there should only be a symbolic military presence, and that the power of interpreting the Basic Law, the power to declare a state of emergency, and so on should all be delegated to the SAR. These views essentially mean breaking away from the central authorities and changing "one country, two systems" into "two countries, two systems." Such views are unacceptable. In announcing the solicitation of views on the Basic Law (draft), the NPC Standing Committee hoped to listen to a broad spectrum of views and further perfect the Basic Law (draft) under the principle of "one country, two systems"; this does not mean that certain basic principles embodied in "one country, two systems" in the Basic Law (draft) can be changed. The speakers also pointed out that judging by the behavior of certain people in Hong Kong since the "4 June" incident, it is necessary to emphasize that Hong Kong absolutely cannot become a base for interfering in China's internal affairs and opposing the central authorities. They proposed that the BLDC consider inserting a clause to this effect in the Basic Law.

With regard to the recent proposals of certain people in Hong Kong on speeding up the pace of democratization, many members held that Hong Kong has never practiced democracy in the past century or more. Hong Kong's political system must develop in an orderly and gradual fashion toward democracy under the premise of maintaining Hong Kong's stability and prosperity.

A number of members indicated that the Basic Law (draft) is a national law formulated by the NPC. Formulating the Basic Law is the business not only of the people in Hong Kong, but also of the people of the whole country. The members demanded that the BLDC not only solicit the views of the people in Hong Kong, but

also listen to the views of the people in the whole country. They also proposed that it is necessary to step up propaganda work regarding the formulation of the Basic Law (draft) to enable the people of the whole country to know about it.

The speeches and the atmosphere at the meeting were lively.

March Vote Set for NPC

OW1510074789 Beijing XINHUA in English
0721 GMT 15 Oct 89

[Text] Beijing, October 15 (XINHUA)—Members of the Standing Committee of the National People's Congress believe that the Hong Kong Basic Law (draft) is pretty comprehensive and conforms to reality.

They expressed this view at a meeting discussing the basic law (draft) which was held yesterday in Beijing by the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region.

They also believe that it embodies the restoration of China's sovereignty over Hong Kong after 1997 and will help maintain the prosperity and stability of Hong Kong under capitalist system.

Over 40 members of the NPC Standing Committee took part in the discussion.

Wang Hanbin, vice-chairman of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region, presided over the meeting.

The articles of the basic law, participants of the meeting said, are reasonable and should not undergo any major changes.

As to the views that China should not station troops in Hong Kong after 1997 and the right to declare "state of emergency" and to explain the basic law should rest with the Hong Kong Special Administrative Region, the participants said that these views are in violation of China's sovereignty.

How to station troops and how many should be stationed there are China's internal affairs which brook no external interference, said the participants.

During the discussion, one of the members said that even Britain has its troops stationed in Hong Kong; Hong Kong is China's southern door and it is only natural for China to put some troops there for the defence of the country.

Some members proposed to add articles to the Basic Law on forbidding brutal interference in China's internal affairs, those of Hong Kong included, and on using Hong Kong as a base for anti-central government activities.

The meeting is the last opinion-seeking activity on the Basic Law (draft) before it is examined and put to vote at

the Third Session of the Seventh National People's Congress to be held next March.

Pro-Taiwan Groups Condemn Communism 10 Oct

HK1110043589 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 89 p 7

[By Kent Chan]

[Text] Taipei-affiliated organisations in Hong Kong yesterday took advantage of the Nationalists' annual Double Tenth celebration to denounce communism.

A series of events were held yesterday under the auspices of the Double Tenth Celebration Committee of Hong Kong Cultural, Education, Journalistic and Movie Societies.

More than 1,000 Hong Kong-based groups united to publish a full-page advertisement on the front page of several Chinese-language newspapers pledging support for the pro-democracy movement on the mainland.

About 1,500 people took part in an evening reception attended by entertainment tycoon Sir Run Run Shaw; unionist Lau Chin-shek; Basic Law Consultative Committee member Lee Kai-ring; and magazine editor Lee Yee.

Speaking at the reception, Chu Hai College president Leung Wing-sun said the Taiwan experience could serve as a model of modernization for mainland China.

"Most communist countries today, through their painful experience over the past 40 years, have been totally disillusioned with communism," he said.

"Because of the brutality of the communist regime on the mainland, Chinese people at home or abroad have all come to share one belief and conviction—that the only hope for China lies in liberty, democracy and even distribution of wealth," Mr Leung said.

The secretary-general of the Chinese Culture Association, Mr Ma Hok-nin, said that besides the removal of about 200 Nationalist flags by police earlier in Mongkok, the celebration activities had gone smoothly.

He said there was no deliberate attempt to turn the annual celebration into a big fanfare.

In its message to Taiwanese President Li Teng-hui, the Hong Kong Double Tenth Celebration Committee urged his Government to help Hong Kong preserve its prosperity and stability.

They also wanted Taipei to support the mainland democratic movement with determination.

Meanwhile, the convenor of the ad hoc committee on Hong Kong and Macao affairs under the Taiwan Executive Yuan, Mr Shih Chi-yang, told Hong Kong people to fight for their rights.

Mr Shih said the territory should strive for the final say in interpreting the future Basic Law.

"Hong Kong people must also have the right to form political parties and to introduce direct elections," he said.

Mr Shih also pledged support to Hong Kong's cause in opposing the deployment of the People's Liberation Army in post-1997 Hong Kong.

"the future of Hong Kong hinges on Hong Kong people themselves and assistance from the free world.

"our concern for the Hong Kong compatriots is as deep as everyone else's, and we are committed to give our support. But practical difficulties have prevented us from doing what we want to do.

"For example, it is inconvenient for our officials to visit Hong Kong, making our assistance to Hong Kong more difficult," Mr Shih said.

A Hong Kong-based Kuomintang veteran and former Taiwan legislator, Mr Pok Shau-fu, said six out of about 60 mainlanders who had applied to resettle in Taiwan under a new rule had been granted entry permits.

An official of the Hong Kong and Kowloon Relief Association added that these people include Chinese Communist Party officials, academics and students.

UK, China Reported at Odds Over Tamar Base Site

OW1310121989 Tokyo KYODO in English 1151 GMT 13 Oct 89

[Text] Hong Kong, Oct. 13 KYODO—Hong Kong's decision to relocate the HMS Tamar Navy Base has further strained already deteriorating relations between Hong Kong and China, an informed government source said Friday.

According to the source, Chinese officials insisted that arrangement for the territory's military sites be discussed in the upcoming Sino-British Joint Liaison Group on December 5.

Hong Kong's unilateral decision to move the present Tamar site from Central District to an outlying island, is another sign that Britain and Hong Kong are not sincere in resuming a mutually cooperative relationship with China, Chinese officials reportedly said.

The decision to relocate the Tamar Base was announced by Chief Secretary Sir David Ford on Thursday in order to redevelop the Central-Wanchai reclamation land as prime commercial property.

The source said that Tamar is an extremely sensitive issue since China wants to set up a People's Liberation Army headquarters at the site. Britain, however, is interested in retaining the Prince of Wales Building, the present British forces headquarters at Tamar, as its embassy after 1997.

Addition to Governor Delivers Policy Speech

The following item pertains to the item headlined "Governor Delivers Annual Policy Speech" published on page 61 of the 13 October China DAILY REPORT.

On Page 61, insert in the first column before the first paragraph of text: [Text of Hong Kong Governor Sir David Wilson's "Annual Policy Speech" delivered to the Legislative Council on 11 October 1989: "We Have Confidence and Strength To Meet Challenge"]

Editorial Views Governor's Policy Speech

HK1210022189 Hong Kong SOUTH CHINA
MORNING POST in English 12 Oct 89 p 24

[Editorial: "Positive Vision Based on Virtues of Self-Help"]

[Text] The Governor, Sir David Wilson, yesterday outlined the cold realities facing Hong Kong with eight years to go before the handover to China, and then showed how much influence Hong Kong still has over its own future. With one eye on an international audience, Sir David preached the doctrine of self-help as a solution to the territory's confidence crisis. The events of June 4 deepened some of Hong Kong's previous problems, like emigration, so this was the most important of Sir David's three policy speeches to date. He rose to the challenge by concentrating on what Hong Kong can do for itself, instead of dwelling on issues where the power lies elsewhere.

For that reason, he had little new to say on some of the territory's most common concerns—Vietnamese boat people, right of abode in Britain, and the future political structure of Hong Kong as defined in the Basic Law. The first half of his address to the Legislative Council was, therefore, an unsurprising restatement of the position in each case. He took care to point out, however, the nature of Hong Kong's relationship with Britain, and the degree of autonomy it already enjoys in looking after its own affairs—stand the message there.

It was in the second half of his address that he unveiled a practical program of measures which offers Hong Kong a positive vision of itself in the next century as a thriving, modern international city, still attractive to investors, and preserving its own character under the umbrella of the Special Administrative Region of China.

The colossal scale of the developments planned between now and 2006 will demand a quality of management by the Government which has not always been evident in the civil service. Further loss of key staff could hinder progress, just as inability to recruit enough doctors, nurses and teachers would sabotage the ambitious

improvements envisaged by the Governor in education and health care. Britain, and to a much greater extent, China, still have the dominant role to play in creating an atmosphere which will encourage local and expatriate staff to stay in Hong Kong to participate in this exciting phase of the territory's history.

The view that Hong Kong has to be developed systematically—from the building of a new airport and port facilities (which, with associated infrastructure, will cost \$127 billion at present prices), the improvement of education facilities from kindergarten through to tertiary level, and wider social welfare provisions—has now won general acceptance, burying the image of the "laissez-faire" colonial governments of the past.

The situation demands dramatic action, which is why the number of first-year degree places at tertiary institutions in the territory will more than double between 1990 and 1995. The Governor's emphasis on youth was one of the strongest themes in his speech, reflecting the commitment to substantial investment in long-term projects. Creating a better educated workforce is essential if the demands of such a huge program are to be met, although Sir David hinted that mass import of labour—mainly from China—is likely to be necessary to man the major construction projects.

The speed with which a Bill of Rights is to be brought forward—the target date is next July—indicates the high priority the Government is giving to this issue following the crackdown in China. It will incorporate the essence of the International Covenant on Civil and Political Rights, to safeguard the individual freedoms currently enjoyed in Hong Kong.

One important feature of the expected announcement that Chek Lap Kok and northern Lantau have been chosen as the site for the new airport is the stress on involving the private sector in financing and building parts of it, though it remains a Government-run operation. Hong Kong has had ample experience in inviting the private sector to work on public projects before. The Mass Transit Railway Corporation and the two harbour tunnels are a marriage of Government planning and private enterprise, a formula which can work for the new airport. Not only local but international companies should be invited to partake in the project, through which business confidence in Hong Kong will be strengthened.

It was part of the Governor's underlying theme that the future of Hong Kong is not simply a matter for governments, either here, in London or in Beijing. There is much that people can do to help themselves create a brighter future, with the Governor's closing plea for "leadership from within the community" particularly relevant.

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